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Construction Leader

—Photo by Nott & Merrill.

Robert Drummond this week became the titular head of Canada's huge building industry—700,000 workers on job sites and making materials, an estimated $2¾ billions of work done last year. As new president of the 31-year old Canadian Construction Association, Drummond, president and general manager of A. W. Robertson Ltd., Toronto, leads 400 general and trade contracting firms, 75 roadbuilders, 250 manufacturers, distributors. (Personality sketch p. 6.)

THE NATION'S BUSINESS

There Is No Hurry About Public Works

Prime Minister St. Laurent refuses to be stampeded into a vast program of public works. Taxpayers generally will applaud his stand.

At the annual meeting of the Canadian Construction Association in Montreal this week, the Prime Minister stated plainly that it is neither desirable nor necessary at this time for the Government to enter the construction picture on a major scale. He did not agree with a few panicky labor spokesmen who seem to think that all private building is about to dry up.

On the contrary, Mr. St. Laurent hinted bluntly, a little easing in the feverish pace of this industry might well result in better value for our building dollar, might check the almost uninterrupted rise in building costs since the end of the war, would help stabilize employment in the building trades.

Mr. St. Laurent put it this way:

> "Governments since 1945 have deliberately held back their construction programs. Even so the construction industry has been extended almost beyond capacity.
>
> "Now it may be entering a new phase with demand less insistent. That may not be altogether a bad thing. Many in the industry must have felt that a period of consolidation would have to come; that the spiral of increasing costs could not continue and that, in the long run, everyone would benefit by the return of some pressure for higher productivity and somewhat lower construction costs."

For the Government to splurge on public works, Mr. St. Laurent pointed out, would only result in costs going still higher, would aggravate the still serious shortage of skilled building labor and materials.

And that was not all. It would mean the taking over of a private industry by the state. Again Mr. St. Laurent made his stand refreshingly clear. He said:

> "The Government depends mainly on free enterprise to keep up employment and prosperity. We do not want to see the greater part of construction undertaken by governments. I never contemplated a time when the peacetime economy of Canada would be managed by the Government, important though the influence of the Government on the economy is always bound to be. In peacetime, the government should foster economic conditions in which initiative and enterprise will flourish.
>
> "That does not mean that government should merely sit back and leave it to business and industry to ensure a high level of employment and production.
>
> "But it does mean that action by government should be designed to encourage, to stimulate and to supplement the enterprise of individuals, and business, not to replace them."

Here again the thinking public will agree. In stating his views clearly and simply Mr. St. Laurent has shown leadership of a kind that is altogether too rare in public life today.

* * *

Stabilization or Stagnation?

Walter Reuther, head of the CIO Auto Workers, either said too much or too little in Brantford last week when he talked about a guaranteed annual wage. He said this was the next step in the drive to win what he called complete social security and was dictated "not only by economic justice but by economic necessity."

That might be all very well for a meeting of labor leaders such as Reuther addressed, or for popular consumption. But what does it imply? According to another CIO union, the Marine Workers', it means: " . . . that guaranteed annual wage plans cannot be established on an nation-wide basis without establishing a planned economy . . . Therefore organized labor must work for a planned economy . . . "

In other words, the guaranteed annual wage can only be guaranteed for everyone under Socialism or some form of statism. Reuther didn't tell his listeners this, knowing that Canadians and Americans are far from ready to swallow Socialism, even with the guaranteed wage idea as bait.

A few well-established industries or services, it is true, have put such a system into effect. In Britain, about 50 firms have it; in the United States, close to 200 (covering less than 1% of the working population). As far as is known, no Canadian firm has a truly guaranteed wage plan. The meat packing industry guarantees its employees a minimum number of hours a week but this is far from being an annual guarantee.

Under the Utopia, Reuther and some others picture, the annual wage is supposed to give security, promote higher productivity and stabilize employment and purchasing power. Under actual conditions the result might very well be the opposite: No normal industries could guarantee in advance what output their customers are going to buy and any annual wage they could guarantee ahead would be a minimum indeed. To do otherwise would court disaster with no industry and no wage.

This does not mean that more stabilization in these matters is not desirable. But industry is working steadily in that direction. In Mr. Reuther's own field, automotive production, there has been vast improvement in the last 25 years. Development of wider markets and continuous technical improvements have given us almost steady year round employment.

But to rush this natural trend would be to put industry in a strait-jacket where it would not dare risk any expansion, or experiment or improvement. Employment at best would stand still and could easily diminish when it is essential that it increase. Workers and management would soon find that Mr. Reuther had given them not stabilization but stagnation.

T-V Step Closer Here; Industry All Set to Go

CBC Orders Two Transmitters From Canadian Firms—Industry Sold 9,500 Sets in 1949, Plans on 15,000 in 1950; 60,000 in 1951

Canadian television was a big step closer this week: The CBC had ordered the first two transmitters for its proposed Toronto and Montreal stations.

Both will be built in Canada and will have about 80% Canadian content.

The surprisingly high figure on the Canadian content comes from a leading T-V authority and explodes a report being circulated widely in Britain that the CBC gave the order to the United States when U. K. makers could have filled it.

In the first place, it is stated, the transmitters will not only be assembled here, but nearly all the parts going into them as well. One costing $184,000 will be made in Toronto by Canadian General Electric; the other, running into $204,000, in Montreal by RCA Victor.

Secondly, British TV standards are not the same as the U. S. The CBC has adopted U. S. standards for obvious geographic, economic, and technical reasons. To make equipment for Canada, U. K. manufacturers would have to change over to Canadian standards. This would be costly, certainly if only two transmitters were involved.

In addition a third station is in the wind. It will be located at Ottawa but won't be on the air until late 1951 or early 1952, The Post is told. All three will be CBC outlets.

This means a new two-spout facet for Canada's radio-radar, electronic industry—manufacturing transmitters (about 20 for the foreseeable future, counting CBC and private stations) and receivers.

Receiver manufacturing is already well under way. Currently 14 Canadian radio firms are producing T-V sets. In 1950, they sold a surprising 9,500 sets in the limited markets where fringe reception is available from United States stations.

In 1950, the target is 15,000-16,000. In 1951, when the Toronto and Montreal stations are due to go on the air, the goal is 60,000. In dollars and cents, immediate demand might result in $50 millions in brand new production.

The Toronto and Montreal stations are due to start telecasting in September, 1951. Getting them on the air will make a big hole in the $4.5 million loan advanced the CBC by the government.

Equipment and studios will run into $3.6 millions. This will cover two five kilowatt transmitters, towers, two studio centres, two mobile units (for special outside

(Continued on page 2, col. 6)

Tax Aid For Family Firms Coming From Ottawa Soon?

OTTAWA (Staff) — At the new session of Parliament next month it is expected the government will introduce legislation to give tax relief to family corporations which have plowed back large surpluses over a period of years.

Intimation that the government was studying this problem was given last March by Finance Minster Abbott, in his budget address. At that time he invited the House of Commons to discuss this problem in committee. But no one accepted the invitation.

Meanwhile, officials of the Income Tax Department have been approaching the problem from a different direction.

Under authority of Section 9 (6) of the new Income Tax Act they have been checking both past and prospective operations of family corporations where large surplus accumulations are involved. In cases where tax avoidance is believed to have occurred through sale of shares, an effort is being made to recover moneys that should have been paid to the Crown in income tax. Review of these transactions is authorized under section 126 of the new act.

In cases where it seems clear that a large surplus exists — a surplus which might be invested in a tax avoidance deal in the future, letters have been sent inviting discussion and settlement. It is claimed here that not more than half a dozen such letters have been sent out. Reports that several score of such letters have been sent is completely discounted. (There is a belief in Ottawa that such rumors are being deliberately circulated by groups anxious to make company deals with family corporations where large surpluses are known to exist).

A typical case which attracts income tax officials is that of a private company with a large earned surplus being approached to sell its shares for close to book value (say $100,000). The purchaser incorporates a new company and gets a bank loan for an amount close to or equal to the sum paid for the shares. After the original owner receives his $100,000 he pays a dividend of that amount to the new company, the money in turn being used to pay off the bank loan.

The end result of such a transaction, for tax purposes, is to establish a new company which has no earned surplus and is therefore not liable for income tax in this respect.

In his budget speech last March, Mr. Abbott referred to family businesses which had plowed back profits over a period of years and where at present, on winding up, "the distribution of assets to the extent of the undistributed income on hand becomes taxable in the hands of the recipient at personal income tax rates in the year in which the assets are distributed."

Use Complicated Measures

Mr. Abbott commented: "So severe is the application of our present law in such cases that many such businesses have been driven into a great variety of extremely complicated and cumbersome devices to secure legal avoidance of the excessive tax burden to which they are now potentially liable. As a result we are losing revenue to which we think the public treasury has a justifiable claim."

Mr. Abbott admitted last March that the problem was very complicated and that there had not been unanimity of view as to the

(Continued on page 2, col. 6)

How Reds Open New 'Front'

Rent Control, Unemployment Give Them Openings

By RONALD WILLIAMS

Ever since rent ceilings were raised and signs of some unemployment began showing, Canada's propaganda-wise Communists have had a field day exploiting both in their own peculiar interests.

This week, the Canadian Congress of Labor moved to throw a block at them on the unemployment field. In Toronto, the local CCL council recommended that the CCL charter a union for unemployed.

The CCL had no intention of playing down unemployment; that would be playing into the Red's hands. But they did want to get the ball away from the Communists. To let them carry it would retard the housecleaning in unions and more important, let them pose as the real "friends" and "defenders" of the "underdog."

The astute Communists had put labor on the spot. Unions had been able to ignore other Communist fronts and agitations with only small cost to themselves. But unemployment, exaggerated or not, was something they couldn't afford to close their eyes to, and the Reds knew it. Labor hopes their own "clean" unemployed organization is the answer.

The issue was the hottest potato the CCL has had to handle in a long time. During the Toronto council discussion, even rabid anti-Communists steered clear of branding the existing group the Communist-front they knew it to be.

One exception was Secretary Dave Archer. He was definitely opposed to the present organization, he said.

"Once before," he warned, "we endorsed an organization, the Housewives' Association, and it turned out to be a Communist front.

"We want to give constructive support to the unemployed, but it has to be free of any political flavor . . . stay clear of political chicanery. We can't do that with the union that has been formed."

As far as rents were concerned, however, the Reds went unhindered. They were still running the show with little or no opposition. Most of the "Tenant's Leagues" which had mushroomed overnight, were Communist inspired. So was the "Rent Train" which carried delegates to Ottawa recently to protest rent increases to Finance Minister Abbott. The affair was reminiscent of the Communist-run Housewives' demonstration at the capital.

The unemployment clamor had even more of the familiar earmarks of Red-engineering.

It began almost simultaneously in four major cities: Toronto, Montreal, Vancouver and Winnipeg. The noise made was far out of proportion to membership. In Toronto, for example, when there were 14,000 jobless, all they could claim was 150 members. In Montreal, the initial meeting was attended by 32. Yet in short order, unemployment was on the front pages and the entire labor movement was echoing the cry.

In Toronto and Vancouver they started out with a bang with typical Communist "direct-action" in a parade to the city hall to put their case before the mayor. In Toronto it ended up in a minor flare-up with police outside the National Employment Service Office. By a peculiar coincidence, only the Communist press had a photographer on the spot and got pictures of the

(Continued on page 3, col. 4)

PRICES

Woolen and worsted clothing may be up for fall deliveries following post war peaks reached this week in the U. K. and Australian wool markets.

U. K. wools used in the manufacture of worsteds had climbed this week to between 48% and 75% above pre-devaluation prices (in terms of sterling) thus eliminating altogether benefits to dollar buyers brought about by devaluation. In terms of dollars the increases for the period amounted to between 12½% and 32%. Examples (in sterling prices): merino clothing wool up 50% to 75%; merino tops up 48%; crossbreds 59%. On the Sydney, Australia, wool market recent increases have been in the order of 15% to 20%. And the markets are still rising.

Clothing increases should not be startling, in lower qualities might be absorbed by manufacturer or retailer. Average cost of wool in a two-piece $50 suit is around $4 to $5.

Tin, which has been on a sharp decline on the New York market since the U. K. Government returned dealings to private trade late last year, is expected to take further declines in the near future with supplies staying well ahead of current consumption levels. Price at midweek was 76¼c a lb. as against $1.03 last Nov. 15.

Soaps from several companies dropped 3½% to 7% at wholesale. Toilet, laundry soaps were down by 6% to 7%; granulated soaps, flakes and detergents by 3½%.

Sugar, up ½c to 1c a lb. at retail in Eastern Canada, can be expected to ease again before the end of the year, reports Canadian Grocer (Maclean-Hunter).

Cocoa market continues strong in both Brazil and West Africa. Prices of West African, up to 29c at midweek, can be expected to hold in view of smaller crop in West Africa, says Canadian Grocer.

Sheraton Corp. To Take Over Cardy Chain?

MONTREAL (Staff) — Probable sale of Cardy Corp. to the U. S. hotel chain, Sheraton Corp., was foreseen in investment circles here this week.

Rumors of possible deals for the Canadian group of hotels have been rife here for some time. It is understood that among the bidders have been J. Louis Levesque, president of Credit Interprovincial Ltee., local investment dealer, and two or three U. S. groups.

John C. Udd, president of Sheraton's subsidiary Ford Hotels Inc. and a Sheraton director, told The Financial Post that discussions regarding the purchase of Cardy Corp. by the U. S. company are in progress, but no deal had been completed.

Acquisition of the Cardy group would give Sheraton a big lead in the U. S.-Canadian hotel field. Prior to its recent sale of the Lord Elgin in Ottawa to Canadian interests, Sheraton owned 28 hotels in 25 cities in Canada and the U. S. Its total assets of $64.5 millions made it the largest hotel-owning company in the U. S.

The five Cardy hotels — Mount Royal in Montreal, King Edward in Toronto, Connaught in Hamilton, General Brock in Niagara Falls and Prince Edward in Windsor — would give the company seven Canadian hotels (it already has the Laurentien in Montreal and the Ford in Toronto).

Cardy Corp. also leases and co-operates in the management of the Alpine Inn and Ste. Marguerite's Country Club at Ste. Adele in the Laurentians. Sheraton Corp. operates the Lord Beaverbrook at Fredericton and the Fort Cumberland at Amherst under management contracts. It has also been mentioned as a possible entry into the hotel field in Western Canada.

More Freedom on 'Phones Sought By Broker-Dealers

A demand that the Ontario government repeal present restrictions on the sales methods which may be used in stock promotions was unanimously endorsed at a stormy meeting of the Broker-Dealers' Association last week.

The Broker-Dealers' Association intends to ask for repeal of Section 57 of the 1947 Securities Act, which confines personal and telephone calls to friends, business associates, places of business and to people who have made written enquiries for information. The Association apparently wants no prohibition on calls either inside or outside Ontario.

Proposed revision of Sections 52 and 53 of the Act would:

(a) abolish the mandatory delivery of a prospectus to a purchaser unless requested and

(b) provide the right of recision only where a prospectus has been sought without avail.

Tries to Keep Members

In the face of internal dissension, the Association approved a resolution apparently aimed at keeping future broker-dealers within its ranks. The Association is asking the Securities Commission not to grant registration to any broker-dealer unless the broker-dealer was previously refused registration in the Broker-Dealers' Association of Ontario.

(The Association states that this proposal developed because one of its active members, E. H. Pooler, a member of the Toronto Stock Exchange, was recently permitted to withdraw from BDA membership, and was granted independent registration by the Ontario Securities Commission. Mr. Pooler had been chairman of the membership committee of the BDA before resigning).

Nominated by the BDA nominating committee as candidates for the 1950 Board of Governors were Harry W. Knight of Draper Dobie & Co., John Rogers of Doherty Roadhouse & Co., and Marshall Stearns of T. A. Rich-

(Continued on page 3, col. 2)

U. S. Supreme Court Rushes Colonial Airlines Appeal

OTTAWA (Staff)—A successful and extraordinary negotiation whereby the Colonial Airlines case will be heard by the U. S. Supreme Court on Feb. 17 is the new key which both governments hope will unlock this tangled issue. Normally there would be little chance of the Colonial appeal getting before the U. S. Supreme Court for several months; possibly not during 1950.

But the immediate result of recent intergovernmental discussions has been to advance the hearing date so that both sides in the dispute will maintain "status quo" until after the court has deliberated.

Because of this arrangement, the Canadian Air Transport Board will take no action to suspend Colonial Lines although it makes it clear it believes cancellation would otherwise be justified.

Pending the Supreme Court hearing and decision, other parts of the Canadian-U. S. deal as worked out in New York last June will not be implemented. This means TCA will retain its monopoly on the New York-Toronto run; U. S. Western Air Lines will not be licensed to operate into Edmonton from Great Falls, Montana; Colonial will continue to have exclusive rights on Montreal-New York. It is hoped the Supreme Court decision will be given before the end of March.

What happens after the Supreme Court decision?

If the decision is against Colonial, it probably means that the agreement itself is valid and that the two governments were within their rights in wiping out Colonial's monopoly on the Montreal-New York run. Subsequent action by the Air Transport Board or the C.A.B. at Washington would probably then depend on what Colonial does. If Colonial still kicks up a fuss, it's not unlikely in view of the tenor of the ATB statement, that the Canadian body may move to suspend the Colonial license entirely. Alternatively, it is possible a new alternate route may be found for Colonial in the United States—a solution which if it had been worked out in the first place would undoubtedly have avoided the international rumpus which has ebbed and flowed across the border for the last six months.

If the Supreme Court finds in favor of Colonial, it means that the whole Canada-U. S. air agreement is invalid and that the very basis on which Colonial's license was granted in the first place, now disappears.

New Taxes Unlikely In Ottawa Budget

Federal Spending 18% Over December, 1948, But Buoyant Level of National Income Keeps Tax Yield Up and May Keep Us Out of the Red

BY KENNETH WILSON

OTTAWA (Staff)—The screws are being applied to every government department in the first major effort since the war to put a real clamp on expanding government services and costs. When the 1950-51 estimates are published next month, Canadians will get a revealing demonstration (one way or another) on the extent to which the postwar appetite for new government services and spending can be curbed.

Meanwhile, the Government is banking heavily on good business in Canada in 1950 to maintain tax revenues and avoid either a deficit or new taxes. No new taxes are in the cards, but if business slumps in the last half of this year or in the first quarter of 1951, there is almost certain to be red ink on the federal ledgers for the first time since the war.

The lush upswing in receipts (despite lowering tax rates) has now run its course.

In December, total revenues were $199.6 millions—down 9.4% from the same month a year ago.

Meanwhile federal spending had soared 18% from December, 1948.

Thus federal accounts for December fell short of being in balance. Expenses at $200.3 millions were $770,000 greater than income, although for the first nine months of the fiscal year the budgetary surplus is still $300 millions. (The surplus at this time last year was $160 millions.) The Government still holds to its earlier estimate that for the year ending March 31, the budget surplus will approximate $90 millions.

One factor which has greatly favored government financing since the war has been the buoyant and rising level of prices and production.

National Income and Taxes

It is estimated here that the Federal Government collects in taxes between 20% and 25% of any rise in national income. And since 1946, national income in Canada is up approximately $3.3 billions. (The approximate figures are as follows: 1946—$9.8 billions; 1947—$10.9 billions; 1948—$12.6 billions; 1949—$13.1 billions [estimate].)

That means, without any change in the tax rate, the Federal Government has improved its tax yield by something between $660 and $825 millions.

It is this rising tide of prices and prosperity that has permitted the Government to lower tax rates and at the same time show handsome budgetary surpluses in each year. For the fiscal year ending on March 31, the estimate is for a surplus of only $90 millions. This compares with $595 millions the previous year and $676 millions in 1947-48.

But the Government's grand gesture in slashing taxes prior to the election last year has clearly left little or no margin for the future. If national income starts slipping, tax receipts will decline without any change in present rates.

On the expenditure side the latest government accounts show that every single department, exclusive of Veterans Affairs and WPTB, is spending more today than it was a year ago. Here are some December comparisons:

(Millions of Dollars)

	Dec./49	Dec./48	Incr.
Defense	33.7	22.6	+11.1
Debt interest	31.1	30.8	+0.3
Prov. tax agreements	23.6	21.1	+2.5
Family allowances	25.0	22.7	+2.3
Vet's Affairs	20.9	23.6	—2.7
Public works	8.7	5.9	+2.8
Mines & resources	5.5	3.9	+1.6
Transport	5.1	3.4	+1.7

On top of this rising tide of departmental costs, there looms for 1950 an almost irresistible demand for higher defense costs, plus increased outlay for the Trans-Canada highway, for other public works and for subsidies of various kinds.

As reported in last week's post, the most critical issues are those involving national defense. The Government is trying to

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Inside News

Matches: The Full Story

What brought charges of monopoly in the wooden match business in Canada? How did the alleged international cartel come into the picture? How did one company achieve a dominant position in the industry? The engrossing story as given in Ex-Combines Commissioner Fred A. McGregor's report (p. 14-15).

What Next on Constitution

How do chances look for an agreement on constitutional reform now that agreement has been reached between Ottawa and the provinces on the framework for discussion? The Post's Ottawa editor analyzes the situation, prospects (p. 17).

Big City Headache

Amalgamation, annexation, or cooperation? That's the problem facing Toronto and its 12 suburbs; it's a problem ahead for many growing Canadian cities which need more housing, industrial space. Toronto's approach to some of the questions involved (p. 18-19).

Churchill's Chances

Betting on the outcome of the U. K. elections next month is currently 6-4 on a Labor win. But a good many people believe that by polling eve the odds will be on Churchill and his party. Adelphi reports on how the election battle is shaping. London Calling (p. 32).

What They See For '50

What's ahead for stocks, bonds and commodities in 1950? A group of professional investment men and economists get together in Toronto every year to "take a look into the crystal ball." What they see for this year (p. 7 and 12).

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Pace of Business

Primary power consumption reached 121,211 thousand kilowatt hours in November, the highest month recorded; total production was 130,483 thousand kilowatt hours, the highest since 133,936 thousand kilowatt hours of June, 1949.

Average yield on 112 dividend-paying stocks on Toronto Stock Exchange on Jan. 16, 1950, was 5.98%, up 0.09 from previous week (5.87% yield a year earlier), Moss, Lawson & Co. reports. Common stocks were returning 6.35% vs. 6.18% last year.

Average daily crude oil output amounted to 53,748 bbl. in Alberta the week ended Jan. 9, 1950 (44,517 bbl. previous week, 38,675 bbl. same week a year earlier). A total of 1,040 wells produced oil in latest week.

November exports were the highest of 1949 at $292.3 millions, with an over-all favorable balance of commodity trade of $55.9 millions, year's highest but below the $58.2 millions of November a year earlier.

Carloadings amounted to 54,498 cars the week ended Jan. 7 vs. 49,011 cars the preceding week (67,999 cars same week of 1949). Declines were shown in both eastern and western divisions as compared with previous year.

Agricultural farm prices moved lower to a 246.0 index figure in November, 1949, as compared with 247.1 in October, 258.0 in November, 1948. Grains, livestock, dairy products and poultry prices were all lower as compared with a year earlier.

Department store sales were off 17% in week ended Jan. 7, DBS reports. Reductions were reported in all areas with greatest drop in Quebec (22%) and smallest in Alberta (6%).

Canadian labor income — including salaries, wages and other income—hit an all-time high of $663 millions in October, up a million dollars from previous month and $30 millions more than October, 1948, DBS reports.

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Obituaries

J. Norman Downes, 51, Winnipeg, member, Winnipeg Grain Exchange.

Robert T. Hazell, 46, Toronto, vice-president and general manager of Fruehauf Trailer Co. of Canada Ltd.

Frederick E. Robson, 66, Toronto, president, Robson Oil Co. of Bowling Green, Ky.

Ernest Officer, 60, Vancouver, assistant general passenger agent for CPR.

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How They Beat Dollar Problem

Remington Rand Makes ~~Its~~ Noiseless at Hamilton

Anyone buying a Remington Rand noiseless typewriter in New York today is buying a product which was made in Hamilton, Ont., from Canadian materials.

Manufacture of Remington's noiseless models has been switched from U. S. to Canada. Exchange earned in this way is sufficient, not only to counterbalance Remington's imports on parts for its other typewriter models, but also to offset imports of typewriters and parts by other manufacturers.

In this way, Canada's typewriter industry, not including other business equipment often sold by the same companies, has been brought to a point of self-sufficiency in U. S. dollars within two years.

The usual rule in business equipment is that it doesn't pay to manufacture entirely in Canada if the only market available is the Canadian. The industry normally draws heavily on U. S. parts, though most large firms operate assembly plants in this country.

Remington Rand continues to use U. S. parts in its other machines, and unless the market is extremely limited, as it would be for a $20,000 tabulating installation, it assembles these parts in its Hamilton plant.

The exception is a large one. It's Remington Rand's line of noiseless typewriters, both the office and portable type. Formerly these were manufactured in Middletown, Conn., but the entire operation was switched two years ago to Hamilton. This makes Hamilton the only place on this continent where these models are made.

100% Canadian Model

By this switchover, sufficient market was given to Remington Rand Ltd., Toronto, to enable it to make a 100% Canadian model. The U. S. dollars earned from the sale of this model in United States was sufficient last year, not only to offset Remington Rand's imports of parts of its other typewriter models, but also to counterbalance 96.1% of the imports of the entire Canadian typewriter industry. This year, it's anticipated, Remington's exports to the U. S. will equal all typewriter and parts imports putting the industry on a "self-sustaining" basis.

Here are the figures:

With Canadian production of the noiseless beginning in Hamilton in early 1948 and not reaching its stride until mid-1948, Remington Rand's exports to the U. S. that year were $985,427. This was 48.4% of the imports of all typewriters, assembly parts, and repair parts, reported by DBS to be $2,035,534 in 1948.

Last year, Remington Rand's exports of the all-Canadian noiseless was more than doubled at $1,896,812. This almost offset imports of the Canadian typewriter industry in 1949 which DBS reports as $1,972,217.

This year the import and export figures should meet somewhere around the $2 million mark.

The foregoing figures are for typewriters only. Remington Rand also markets a wide range of tabulators, accounting machines, filing systems, and supplies. Most of these draw on U. S. parts, and the general rule is that the smaller the Canadian market, the larger the U. S. content.

Helps Over-all Operation

Under the "incentive" formula, by which companies which increase their U. S. dollar earnings can secure higher quotas for importation of U. S. parts, Remington Rand Ltd. has found that the switching of the noiseless model to Hamilton has helped its over-all operation.

It has also demonstrated the chances of a Canadian factory matching the efficiency of U. S. plant. So far, Hamilton has met the challenge handsomely. Present costs are running slightly lower than they would have been in Middletown, Conn. Devaluation has helped, though this was one of the possibilities foreseen two years ago when the decision was made to switch to Canada. The typewriters enter U. S. duty-free.

An interesting sidelight on the switch is the fact that Canadians played a part in the design of the first Remington noiseless, employing the "pressure printing" principle. Though considerably modified in the U. S. over the past 20 years, the noiseless model is, in one sense, coming "home" to Canada.

Canadian sales of noiseless models have, on a per capita basis, generally run ahead of those in U. S., and a considerable portion of noiseless output from the Hamilton factory is destined for domestic use. Factory strength at Hamilton, 555 in December, is 20% greater than it was when the plant was used for assembly purposes only.

J. E. Reynolds, president and general manager of Remington Rand Ltd., believes that the principle adopted by his firm — creating an effective market by switching an entire model to Canada — could be applied by other large firms having international affiliations.

The way to relieve our exchange troubles, he believes, is not by stemming our dollar spending, but by offsetting it. If, for example, an international firm were to allocate to Canada production of just one of its models and sell it on both sides of the border, it would earn the money to offset its needed imports of other U. S. parts.

ANNOUNCING

Important Appointments in Canadian Industry, Finance, Business and Government

Burndy Canada Ltd. (Toronto)—W. A. Hill, general manager; Roy Bunston, chief sales engineer; Fred McLenaghan, and Al Thomson, sales engineers; Bryce W. Kell, district sales manager for Quebec and Maritimes.

Canada Gov't. (Ottawa)—J. R. K. Main (Edmonton) — Assistant controller of civil aviation at Ottawa.

Canadian Association of Exhibitions — T. H. McLeod (Regina), president; Alex Ross (Sherbrooke, Que.), vice-president; Emery Boucher (Quebec) secretary-treasurer; A. B. Banks, J. Paul, Walter Jackson, directors.

Canadian Broadcasting Corp. (Ottawa)—A. R. Kemp, (Forest, Ont.) supervisor, national farm broadcast service; A. K. Morrow (Charlottetown, P.E.I.), assistant supervisor.

Canadian Durex Abrasives Ltd. (Brantford, Ont.)—F. C. Bingham, executive assistant, Brantford head office; A. Bartholmew, manager, regional sales office at Toronto; D. M. Steiner, sales manager, adhesives and coatings division; H. J. Goodman, sales supervisor, reflective materials division; R. E. Corbett, sales supervisor, electrical tape division—all at Brantford; J. V. Powell, sales supervisor of cellulose tape, Toronto; M. J. Martin, sales promotion manager.

Canadian National Exhibition (Toronto) — Lambert C. Powell, director of public relations.

Colgate-Palmolive-Peet Co., Ltd. (Toronto)—A. B. Shore, Ontario Industrial district manager.

Daoust & Lalonde Inc. (Montreal)—Frank H. Millington, general manager.

Dominion Steel & Coal Corp. Ltd. (Sydney) — Frank Doxey, assistant general manager, Cape Breton coal operations.

Economic Investment Trust Ltd. (Toronto) — Maj.-Gen. A. B. Matthews, a director.

Great-West Life Assurance Co. (Winnipeg) — C. C. Martin (Toronto), J. B. Nettelfield (Winnipeg), superintendents of agencies.

Guaranty Trust Co. of Canada (Toronto)—George M. Miller, (Sudbury), a director.

Life Managers Association of Halifax (Halifax)—E. Stewart Macdonald, president.

International Business Machines

World Trade Corp. (New York)—George M. Morrison, (Toronto), comptroller.

International Fertilizers Ltd. (Quebec) — Albert Lambert, general manager.

Manufacturers Life Insurance Co. (Toronto) — John H. Bell, Geoffrey O. H. Harrison, assistant actuaries.

Miles Laboratories Ltd. (Toronto)—R. L. Brophy, a director.

Mining Corp. of Canada Ltd. (Toronto)—Norman C. Urquhart, president; H. L. Roscoe, vice-president; James Y. Murdoch, a director.

Montreal, Australia, New Zealand Line Ltd. (Montreal) — Walter M. Glover, a director.

Montreal Curb Market (Montreal)—Roy E. MacKenzie, manager.

National Trust Co. Ltd. (Toronto)—J. M. Robinson, manager at Edmonton.

New Brunswick Gov't. (Fredericton)—Dr. R. R. Prosser, director of mental health (new).

Northern Life Assurance Co. of Canada (London, Ont.) — Albert Baker, special sales consultant.

O'Brien Advertising Ltd. (Vancouver) — Allan H. Ainsworth, account executive.

Royal Bank of Canada (Montreal)—E. P. Taylor, A. E. Grauer, Colin W. Webster, directors.

Searle Grain Co. (Winnipeg) — Morton Miller, a director.

7-Up Company of Canada (Toronto) — Douglas I. Patterson, to head publicity and advertising dept.

Shawinigan Water & Power Co. (Montreal)—J. A. Fuller, executive vice-president; E. Gray-Donald, vice-president and chief engineer; R. H. Mather, assistant to vice-president and chief engineer; A. C. Abbott, manager, commercial and distribution department.

Steel Company of Canada, Ltd. (Montreal) — Robert H. Macdonald, sales manager, construction materials division, Hamilton (new).

B. F. Sturtevant Co. of Canada (Galt, Ont.)—O. Moffat, manager of sales; K. J. Dewhirst, manager, Toronto district.

Toronto Builders Exchange (Toronto) — E. S. Sargeant, president; F. S. Milligan, Colin Gordon, vice-presidents.

Western Canada Petroleum Association (Calgary)—G. W. Auxier (Edmonton), executive vice-president and general manager.

Improved Orders on Hand But Cotton Mills Are Wary

MONTREAL (Staff) — A busy last quarter in 1949 put Canadian cotton mills slightly ahead of 1948, figures released by the Cotton Institute of Canada indicate.

Raw cotton bale openings for 1949 totaled 383,989 compared with 382,460 the year before. Although this was an increase of only 0.4%, fourth quarter openings were 5% higher at 105,095 (100,114 a year ago).

Industry sources indicate that the current high level of operations may extend through the first quarter, although it may be hard to beat the 1949 mark for that period. The 1949 results were the best since 1943, but still 10% below the 1943 figure of 425,107.

Main reason for the recent burst of activity has been the strong consumer demand in recent months after inventories had been allowed to fall off considerably. The U. K. producers were expected to leap into the breach following devaluation, but instead, their exports to Canada actually dropped from the rate shown earlier in the year.

With imports dropping off, the Canadian mills found themselves with lots of work to do to fill their orders. The U. S. producers were getting better prices, and with the 10% extra cost to Canadians, a good proportion of the competitive U. S. goods were priced out of the market.

Cotton producers are somewhat wary about becoming too optimistic about the picture because they feel that the British costs are much lower than our own; that the U. S. industry is characterized by sharp upward and downward swings which tend to glut the Canadian market with goods when the swing is on the down side.

They point out that Britain sold about 75 million yards annually in Canada prewar, only 30 millions last year. At present U. K. producers are mainly interested in the sterling area where there's still a seller's market, but may switch their attentions once more to the Canadian market.

Canadian manufacturers also point to increasing imports of cotton goods from European countries, and from Japan and India. Mexico, too, is beginning to scout the Canadian market again with goods designed to catch the eye of the price-conscious.

Bell Dividends Go To 59,000 Along With Note Of Warning

MONTREAL (Staff) — Bell Telephone Co. mailed out its regular quarterly dividend cheques to its 59,000 shareholders this week, but it attached a note telling them that the company is faced with a "financial situation of critical importance."

President Frederick Johnson expressed confidence that "in due time" the company's revenues would be adjusted to meet the present level of costs, but he pointed out that the company had had to withdraw $4¾ millions from surplus to maintain dividend payments in the past year. This was more than one third of the entire surplus accumulated since the company was formed in 1880.

Company earnings were insufficient to meet dividend needs in each month of 1949. The situation can only be corrected by increasing rates for telephone service, Mr. Johnson said.

In the past, due to the high quality of service, low rates and reasonable and regular dividends, company has established the goodwill of its customers and maintained its credit with investors, he said. As a result, it has always been able to secure its requirements for new capital at relatively low costs, the president added.

Company's application for an interim 10% surcharge on present rates pending final decision by the Board of Transport Commissioners on its main rate application, was turned down by the Board in December. Board told the company that the hearing would be held in March, and that if further delays should develop, the request for temporary relief could be considered at that time.

TV Stepping Closer Here

(Continued from page 1)

events) and various other equipment.

In addition, $195,000 will be spent training staff and another $470,000 on experimental research, leaving $235,000 of the original loan.

This is expected to be swallowed up quickly by unforeseen contingencies.

Cost of Operating

This should be enough to get the CBC on the air but to keep it on is something else. T-V programming costs about 10 times as much as straight radio. Even if the CBC charges a $10 license fee, the initial revenue won't begin to meet operating costs. Eventually, with commercial programs, it might, although of the 50 U. S. stations operating, only one is out of the red. Until then where is the money coming from?

Revenue Minister McCann hasn't any illusions. In explaining the initial loan, he warned T-V was going to be "very costly" and the government "would have to come back (to Parliament) for further money."

Total cost over a period of four years was estimated at $10.7 millions. This includes station operations of $9 millions up to 1955. The government expects to fork out altogether something like $14 millions in this period, but hopes to get $5 millions back in revenue.

Meanwhile, the CBC was going ahead. The Montreal transmitter will be located on Mount Royal.

In Toronto where five sites were under survey, the CBC is said to have decided on building studio and transmitter on its Jarvis St. property where the CBC headquarters are located.

Tax Aid For Family Firms

(Continued from page 1)

most equitable and practicable solution. He said the government had been considering a plan "under which a straight percentage tax paid by such a corporation at the time of winding up or at the time of capitalization of earned surplus will relieve the earned surplus of tax liability in the hands of the eventual recipient."

The solution that will be proposed will aim to remove much if not all of the present incentive toward tax evasion.

It will also aim to achieve equity between the taxes that would be levied on the earned surplus of family corporations, and those that accrue and are distributed by incorporated or public companies—many of which (especially where there is a large single shareholder) are faced with somewhat parallel difficulties.

ADVERTISING

Account Appointments, Plans And News of Personnel in the Canadian Advertising World

Canadian Association of Advertising Agencies, at a directors meeting this week, chose Hector Fontaine, Canadian Advertising Agency Ltd., as president, to fill the vacancy created by the sudden death in Toronto of Morgan Eastman, vice-president, McConnell, Eastman & Co. Howard Baker, vice-president of Baker Advertising, was named vice-president.

• • •

McKim Advertising Ltd. (Montreal) says ads in consumer and trade magazines, ranging from quarter page to full page size, and varying one and two column insertions in Toronto and Vancouver dailies highlight new advertising campaign for Bob Martin (Export) Ltd., makers of dog condition tablets. Direct mail sampling, using full-size packages, is being conducted among all registered dog owners in Vancouver.

• • •

Muter, Culiner, Frankfurter & Gould Ltd. (Toronto) says Larry Sportswear Co.'s acquisition of the Canadian rights to the Murray Sices line of women's half-size dresses — now being promoted in U. S. — will be followed by Canadian trade and consumer advertising.

O'Brien Advertising Ltd. (Vancouver) says National Dress Co.'s fashions — styled in California by Kaplan — will be advertised as a "far-Western flair" in full page two-color insertions in national class magazines, and in medium-size insertions in dailies.

• • •

McConnell, Eastman and Co. appoints two in Winnipeg office: Jack E. Price, formerly with Stovel Press Ltd., as account executive; Aubrey C. Green, formerly a radio news editor for British United Press, in charge of radio.

• • •

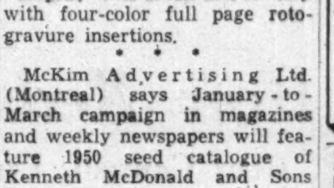
Muter, Culiner, Frankfurter & Gould Ltd. (Toronto) report Van Kirk Chocolate Corp.'s 1950 campaign on chocolate chips, "Chipits," will break in February with four-color full page rotogravure insertions.

• • •

McKim Advertising Ltd. (Montreal) says January-to-March campaign in magazines and weekly newspapers will feature 1950 seed catalogue of Kenneth McDonald and Sons Ltd., Ottawa.

• • •

Spalding Black, manager product advertising, Canadian Industries Ltd., has been appointed to the budget survey committee of the National Industrial Advertisers' Association, an organization with chapters in both U. S. and Canada. The next budget survey committee work, Case History II of the continuing study of advertising budget methods, will be issued early this year.


RYDER
INDUSTRIAL TRUCKS
TOWING TRACTORS
COMPLETE SERVICE
RENTALS
PALLETS — TRAILERS

J. H. RYDER MACHINERY COMPANY LTD.
3130 Bay St. Toronto, Ont.

Every one a top scorer in Simpson's great selection of hats for every man!

The Store For Men—
Street Floor
Simpson's

MAYFAIR

WHY IS IT THAT EVERY COPY OF MAYFAIR AVERAGES OVER SEVEN READERS?

GET MAYFAIR AND EXAMINE IT. YOUR OWN GOOD JUDGMENT WILL TELL YOU.

A fraction of your ad budget buys a lot of prestige when you use Mayfair's low-cost national circulation.

ASK YOUR ADVERTISING AGENT OR PHONE
MAYFAIR MAGAZINE
DOMINION SQUARE BLDG., MONTREAL,
481 UNIVERSITY AVENUE, TORONTO
A Maclean-Hunter Publication

GENERAL MANAGER

Available for appointment. Senior executive with years of experience in Sales and Financial Management. Have no objection to associating with company having difficulty profitwise. Thoroughly familiar with Cost Reduction principals. Nominal salary with Profit Sharing Arrangement preferred. Would also consider part-time appointment as Management Consultant. All replies confidential.

BOX 398, THE FINANCIAL POST, TORONTO

WANTED TO PURCHASE

Established manufacturing business making products in steady demand. The business required should show good profits, or have substantial earning possibilities, if provided with competent management and ample working capital. Our client, a successful American market analyst and sales manager, would consider an investment up to $300,000, although a smaller proposition with prospects of growth would also be suitable. A prompt decision will be given to any proposal made.

NORMAN BROOKE
Manager
INDUSTRIAL DEPARTMENT
GUARDIAN TRUST CO.
MONTREAL

WILL PURCHASE LARGE INDUSTRIAL BUSINESS

This principal has requested us to uncover a suitable business. Will pay from $500,000 to $5,000,000 cash for a well-established, profitable company. Preferably in metals field, but not necessarily. Preliminary discussion invited, in strict confidence, with our Mr. John J. Burns.

As confidential agents with extensive Canadian, American and English connections, we have many definite principals with capital ranging to $5,000,000 and more, interested in acquiring a wide variety of industrial and commercial businesses.

W. H. BOSLEY & CO.
28, Adelaide Street West, Toronto WA. 1031

We'll Help You Keep That Plant Running

An INSURANCE policy by itself won't keep your power plant and boilers running in safe condition. But our inspections—which accompany the insurance afforded by this Company—can help you with that job.

Our experts are trained in the exacting work to which we assign them. And they are available, too, for aiding policyholders in times of emergency. Be fully insured—ask your broker or agent for details.

EXPERIENCE
SERVICE—STABILITY

The Boiler Inspection and Insurance Co. of Canada
[illegible] [illegible]

3-50

Here's How Building Men View Construction Needs

By CLIVE CHATTOE

MONTREAL (Staff) — Five hundred construction men, representing Canada's leading firms manufacturing and distributing building materials, and others erecting the materials as highways, hospitals, houses and the rest, this week went on record as advocating that Central Mortgage & Housing Corp., and the lending institutions give more careful consideration to the financial qualifications and experience of applicants for house-building loans.

In one of several resolutions passed at the annual meeting here of the 32-year-old Canadian Construction Association, CMHC and the lending institutions were urged: (A) to screen applicants more carefully, and (B) to establish "inspection procedures which will ensure that new housing is built in a workmanlike way and up to minimum standards in keeping with the requirements of the national building code or its equivalent."

In the same resolution, Ottawa and provincial governments were asked to go easy in competing with the private housebuilder. What the CCA asks is that the new provision of the National Housing Act under which federal and provincial governments may enter the field of housing built for sale "be restricted to low-cost housing, and to areas in which it will not compete with the private housebuilder."

Far-reaching Policy

In a far-reaching "statement of policy," CCA reaffirmed the construction industry's "belief that free enterprise, founded on liberty of the individual, will operate to the greatest advantage and in the best interests of our country," and advocated:

Labor Relations — Fullest possible co-operation among management, labor and government to improve efficiency and reduce costs through increasing productivity, both in manufacturing plants and on construction jobs; enlarging the supply of skilled craftsmen by increased apprenticeship and immigration programs; encouraging more adequate vocational guidance and training facilities; and by participating in a national joint conference board, representing construction labor and management.

Materials — Industry to keep under review the necessity for providing plant facilities for the processing of Canada's raw material resources to the fullest extent possible within Canada.

Housing — (1) Maintenance of the National Housing Act on a basis that will encourage families of modest means to own their own homes and enable private housebuilders to serve adequately the housing market; (2) co-operation among federal, provincial and municipal governments in providing housing for low-rental housing program in accordance with the financial assistance and other facilities available under the National Housing Act.

Highways — Utilization of the experience of the federal and provincial governments in the construction of the Trans-Canada Highway, in the establishment of a federal-provincial highways commission to co-ordinate the financing, long-term planning and construction of interprovincial and international highways and roads designed to develop our natural resources and tourist trade and meet strategic requirements.

Maintenance of Construction Volume — (1) Continuation of the policy by governments of encouraging private enterprise to develop domestic industry and to expand exports by orderly programs of public works designed to provide essential utilities, highways and the development of natural resources; (2) also, continued advance planning of programs of deferable public projects to be used to help in forestalling serious unemployment in the event of a recession trend.

Public Projects — Calling competitive tenders on all construction work involving public funds, and public advertising and opening of these tenders except with regard to work in the "secret" category.

Defense — The association's unrestricted co-operation with the Department of National Defense and the Industrial Defense Board.

Research — Continued support to the National Research Council and other organizations engaged in technical investigation into the improvement and development of construction techniques, standards, materials, equipment, etc. with a view to increased efficiency and reduced costs.

Building Codes — Greater standardization and modernization of building bylaws by the provinces and municipalities, using the National Building Code as a guide, to make for greater efficiency and lower costs generally and particularly in the housing field.

Forest Conservation — The provincial governments to take early advantage of the facilities and financial assistance made possible by the federal Forest Conservation Act of 1949.

Community — Long-term community planning to achieve and maintain reasonable standards of housing and community development through: (1) the provision by appropriate governmental authorities of adequate planning controls, personnel and facilities, especially at the local level; (2) continued support of the work of the Community Planning Association of Canada.

DIRECTOR OF IMPERIAL BANK

PERCY M. FOX

Imperial Bank of Canada announces the election of Mr. Percy M. Fox to the Board of Directors.

Mr. Fox is President of Lake St. John Power and Paper Company Limited, St. Lawrence Paper Mills Company Limited, and St. Lawrence Sales Company Limited. Mr. Fox is also Vice-President and General Manager of St. Lawrence Corporation Limited, and Vice-President of Brompton Pulp and Paper Company Limited, and is a Director of other important Canadian Corporations.

Demand More Phone Freedom

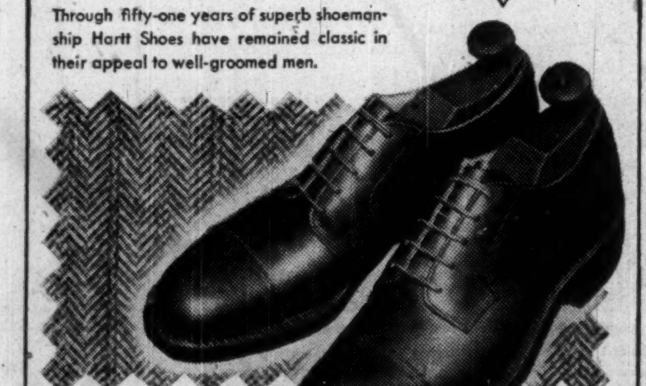
(Continued from page 1)

ardson & Co., representing member houses; Louis Cadesky of C. E. Hepburn & Co.; J. A. Lumsden of Golding & Lumsden, Stratford, Ont.; Allan C. McLean of A. C. McLean & Co.; C. D. Wilson of C. Douglas Wilson & Co.; Arthur W. White Jr., of Brewis & White Ltd., broker-dealers. The "opposition slate"—all broker-dealers—comprised: Adam V. Conroy of Conroy & Co., R. A. Hutchison of R. A. Hutchison & Co., Horace Switzer of Cardigan Securities Ltd., T. L. Savage of T. L. Savage & Co. and Frank Parkinson of Cobourg. Albert Perrin of A. A. Perrin & Co. was also nominated by still another group. Three salesmen nominated were William Seaforth of Cornell & Co., J. A. Henley, and Syd. Davidge, but Mr. Davidge withdrew.

Mr. White told the annual meeting the Board of Governors had held over 69 meetings and 11 committees had been formed which had met over 180 times. More than 40 discipline cases were examined, with fines imposed on some members. An improvement was stated to have been achieved in reviewing of literature under the guidance of the membership's literature committee.

Style-Perfect Shoes by HARTT

Through fifty-one years of superb shoemanship Hartt Shoes have remained classic in their appeal to well-groomed men.



The HARTT Shoe FOR MEN

THE HARTT "TRIPLE"

Ask your retailer for this style in popular demand from coast to coast. Featuring triple soles and latest burgundy shade select calf.

At Better Shoe Stores Across Canada

Factory, Fredericton, N.B.

—Photo by William Notman & Son.

E. GRAY-DONALD

formerly chief engineer, Quebec Power Co., has been appointed vice-president and chief engineer, Shawinigan Water & Power Co., Montreal.

How Reds Open New 'Front'

(Continued from page 1)

melee. Six so-called leaders were arrested; last week five were convicted and fined.

But there was more than circumstantial evidence that the Reds were at work. Many of the leaders were recognized as former junior officers or members of the Communist Seamen's Union.

In Montreal, the connection was more positive. On the executive are the following Communist party officials: Gui Caron, Quebec, leader; Frank Arnold Eisenman (Montreal representative of the Communist weekly Canadian Tribune), Sol Rosenblum, officer of the National Federation of Labor Youth, the party's youth section; Danny Daniels, publicity man for the Communist Seamen's union.

This almost direct tie-up with the Communist party has since been strengthened by publication of pamphlets and literature all printed at LPP headquarters. Furthermore, most meetings have been addressed and apparently directed by LPP leaders.

Commies Address Meeting

The link is not quite so clear in Toronto but clear enough to warrant Mayor McCallum labeling it a Communist front and to make legitimate labor give it a wide berth. Here too, the initial meeting was addressed by leading Communists: Dewar Ferguson, Toronto head of the Seamen's Union and a perennially unsuccessful civic candidate on the LPP ticket, and Charles Sims, one of the party's top brass in Canada.

Technically the chairman of the group is Charles Fine, a bespectacled McGill graduate who comes from Ottawa. But authorities believe the real power is Dewar Ferguson. Since the CSU folded up, Ferguson has been at a loose-end like many other CSU officials.

Fine was one of the six arrested over the Toronto fracas. Altogether, not more than 25 so-called unemployed were involved. Yet the fuss landed on the front pages as a genuine unemployed demonstration. At the very moment it was held, there were several hundred legitimate unemployed in and around the National Employment Office, but they took no part.

Two of the six arrested have been involved in similar disturbances or have associations of one kind or another with left wing groups:

Raymond Collette, 34, who has done most of the talking for the group, is a former CSU business agent at Quebec City; in 1941, he was secretary of the so-called Single Unemployed Association formed in Toronto.

David Black, 24, had previously been in picket line trouble at Halifax and Quebec City.

On hand to bail them out to the tune of $3,000 was Mary Jennison, secretary of the Canadian Peace Congress, and also secretary of the Council for Canadian Soviet Friendship. Also on hand was Mrs. James Endicott, wife of Dr. James Endicott, head of the Peace movement.

In Vancouver, the same Red hand was seen in the birth of the unemployed organization there. Initial meetings were held in the Communist-controlled Marine Worker's hall; later at the Red-run Fishermen's union. All four temporary officers have a record of party sympathy. In Vancouver, as elsewhere, main support comes from the Communist press. Significantly, the aims and programs of each group are the same, almost to the last word.

To outspoken Mayor McCallum of Toronto, the issue was clear: Communists and no one else, working underground, were behind the sudden appearance of the unemployed organizations.

No New Taxes Expected In Budget For 1950-51

(Continued from page 1)

clamp a ceiling on 1950-51 expenses; keep the defense budget within striking distance of the $383 millions allocated for 1949-50. But it is almost certain that this won't be possible. (Defense spending in December was $33.7 millions, 50% over the $22.6 millions spent in December, 1948.)

The Trans-Canada highway is billed to cost the Federal Government something between $150 millions and $200 millions. Only a part of this will come into 1950-51 accounts. But this outlay, on top of the higher public works which are inevitable to offset rising unemployment, means a substantial boost in spending from this sector alone.

There is also the possibility that if the proposed federal-provincial tax conference next September is successful, the Government may find itself obligated for new and substantial outlays for social security measures.

In summary, here are the favorable and unfavorable factors that loom ahead as the Government now moves towards striking its estimates prior to Parliament assembling on Feb. 16.

These estimates will set the general pattern of spending for 1950-51. Later in the budget speech, Hon. Douglas Abbott will have to decide how he is going to raise the money and what kind of a balance to strike between income and outgo.

Here's a brief tabular digest of 1950-51 prospects:

Favorable Factors—

1. National income was on the way up in 1949. It can slide back 2% to 4% in 1950 and still give Canada the same "end result" in this year's over-all national income.

2. There are special expenditures in the 1950-51 accounts which will not recur. Two important items: assumption of $63 millions of outstanding Newfoundland debt; $12 million adjustment in accounts due to devaluation.

3. Federal revenues at 1949 tax rates are still showing continued buoyancy. December receipts were only 9% lower than in the same month a year ago despite lower tax rates.

4. National growth is accelerating at 2% or 3% a year. This means new revenue sources and tax income. Present indications point to over-all growth of capital investment and expansion not very much below 1949.

Unfavorable Factors—

1. Spending in almost all government departments is edging higher; will be hard to check or curtail under present conditions. December spending was 18% above the same month in 1948.

2. Chief pressures for substantially higher outlays in 1950-51 come from the three services. In addition to bills accruing from big commitments entered into last year, there's further outlay to meet Canada's obligations as a member of the North Atlantic Pact. (Defense spending in December was 50% higher than the same month in 1948.)

3. New additional costs in 1950-51 include Trans-Canada highway; more public works; and subsidy programs for farm products, etc.

4. Nonrecurring disbursements such as tax refunds and wheat participation certificates will not be available in 1950. (These did not appear as budgetary expenditures in government accounts, but they had an extremely buoyant effect on consumer spending power in 1949).

5. The new income-tax depreciation allowances may reduce corporation tax revenues in fiscal year 1950-51. (These rates are higher initially but follow a sliding scale in later years. As yet there has been no official estimate as to how they will affect revenues. But the probability is that they will put a check on corporation tax collections initially.)

6. Big question marks for 1950-51 include: the size and value of wheat and grain crops, and the trend of business in the United States. Ability to dispose of a good-sized Canadian wheat crop at somewhere about present price levels would be a major influence in maintaining Canadian purchasing power and tax receipts in the last quarter of 1950 and the first quarter of 1951.

Industrial Life Control Sold

MONTREAL (Staff) — Controlling interest in Industrial Life Insurance Co., Quebec City, has been purchased from the Leonard family there by Credit Interprovincal Ltee. The Leonard family will have no further holdings in the company, The Post is told, although there are some shares still held outside the new controlling group.

Look For It Here

Jan. 21, 1950

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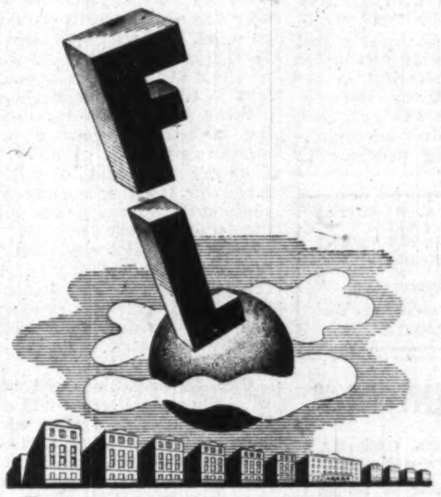

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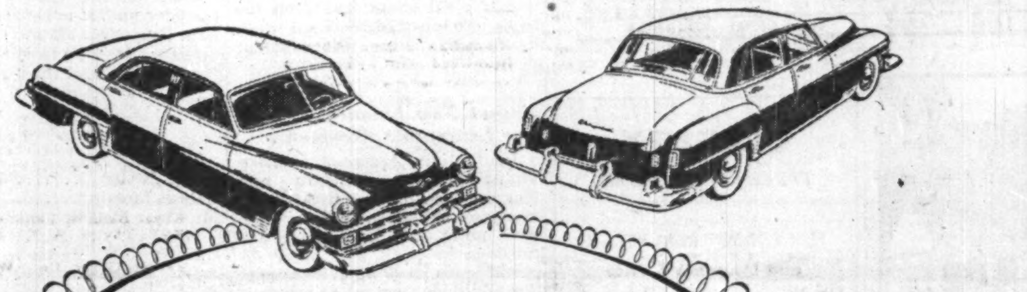

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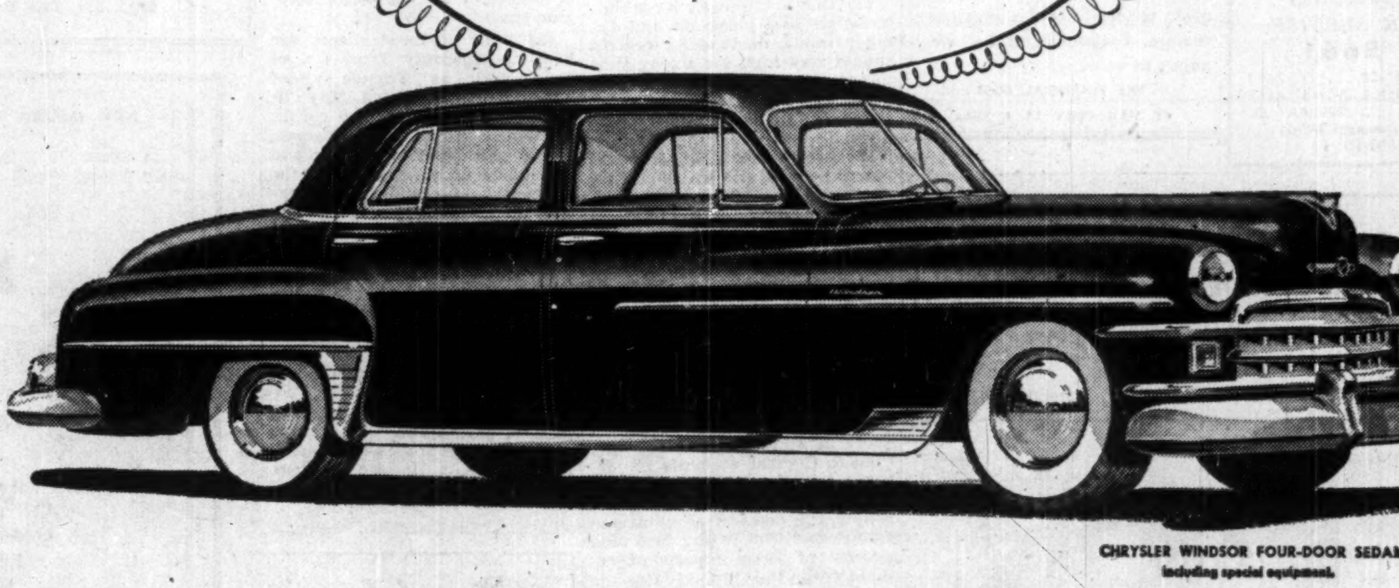

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INVESTMENTS THIS WEEK

Strength In Massey-Harris Based on Earnings Estimate

A new high since its listing in April, 1942, was recorded last week by Massey-Harris Co. common. Trading in good volume, it moved up from \$21¾ a share at the end of 1949 to \$25⅛ a share last week and has since held well despite the break in the stock market. It was selling this mid-week at \$24⅝, down only half a point from its high.

Strength in this issue is attributed to a gradual realization by investors that President J. S. Duncan's recent announcement indicates that profits for the 11 months to Oct. 31, 1949, will show substantially higher than for the previous year to Nov. 30, 1948. The Financial Post estimates that its consolidated earnings might show over \$7.90 a share. This compares with the \$6.57 earned in the 1947-48 fiscal year.

In announcing the changing of Massey-Harris fiscal year from Nov. 30 to Oct. 31 effective in 1949 "to conform with the general practice in the farm implement industry," Mr. Duncan said that the fiscal period just ended was the most successful in the company's history; that sales for the 11 months ended Oct. 31, 1949, were about 21% over all the all-time high of the previous 12 months and that a substantial improvement would also be shown in earnings.

Consolidated sales for the 12 months ending Nov. 30, 1948, totaled \$143,864,964. Consequently sales for the 11-month period should show around \$174 millions.

In the 1947-48 fiscal year, Massey-Harris had a margin of profit of 6¼c per dollar of sales. If this same margin is applied to the estimated 11-month sales it indicates a net profit of about \$10.9 millions. This is equal to \$7.90 a common share based on the number of preferred and common shares now outstanding.

But profit margins have a tendency to increase as volume increases in any one business as the fixed overhead is then spread more thinly. From 1947 to 1948, when Massey-Harris sales jumped 71%, its profit margin increased from 4⅞c to 6¼c. If the profit margin for the 11-month period were to further increase over 6¼c the above results would be bettered. If the margin were say 7c, the indicated net profit would be about \$12.2 millions or equivalent to \$8.87 a common share.

Some justification for expecting at least as good a profit margin was also seen in Mr. Duncan's statement. World demand for tractors, self-propelled combines and other power implements has made possible unusually low sales expenses. The modernization and expansion of the company's various plants has resulted in increased production and has assisted in offsetting greatly increased material, and labor costs, he added.

One factor which will affect what the annual report will show is the fact that in view of the continued uncertainty as to the values of foreign currencies it has been decided that only the North American operations will be consolidated in preparing the balance sheet and profit and loss account, which for this year will reflect the operations for 11 months.

The annual report is expected out very shortly.

Massey-Harris Common at its current price of about \$24⅝ would yield about 8.62% on the basis of the \$2.12½ total dividends paid in the 1949 calendar year.

• • •

Expect New Financing For Laurentide Acceptance

Laurentide Acceptance Corp. annual report indicates new financing is in the wind for this company. President Roland Therien notes that company's \$1.6 millions in bank and other demand loans show an evident need for additional capital so company can benefit from present good level of business available. Gross and net profits and surplus are at record levels. The situation is already under study, Mr. Therien adds.

• • •

See Canada Cement As a Growth Stock

Canada Cement would appear to be an interesting situation in which to share in the expected growth and expansion of our Canadian economy in the years ahead, Hugh Mackay & Co. state in a market letter.

Reasons given for recommending the stock are:

(1) Due to the many large construction jobs going on and being planned, demand for cement should stay high for a long time to come.

(2) Among the projects taking shape in Canada are the iron ore plans in Labrador, the titanium plant in Quebec with additional power needed, the hydro-electric expansion in Ontario, the pipeline from Edmonton to the Great Lakes, and the Aluminum Co. plans in British Columbia. In addition there is a substantial backlog of public works, such as the Trans-Canada highway.

(3) Since the war the capacity of its six plants has been increased from 10,000,000 bbl. to 13,500,000. 1950 will be the first year to feel the full benefit of this expansion program.

(4) In spite of the fact that Canada Cement accounts for 85-90% of total production in Canada, the cement industry cannot supply the demand as witnessed by the fact that in the first nine months of 1949, imports of cement (from the United States, the United Kingdom and Belgium) amounted to 1,400,000 bbl., more than double the corresponding figure of 1948.

(5) For the fiscal year ended Nov. 30, 1948, the company earned \$3,727,567 (\$4.04 per share) and it is interesting to note that in 40 years operations (including those of the predecessor company) there has never been an operating loss. It is expected 1949 earnings will have been in the vicinity of \$6 per share.

(6) Under the terms of the reorganization in 1946 no dividends can be paid on the common until two years dividend reserve have been set aside. It is expected the company will be able to pay dividends on the common in 1950.

(7) Canada Cement qualifies as a growth stock, in the firm's opinion, because (a) there is a direct relation between cement consumption and construction; (b) it is generally recognized that building activity is the spearhead of an expanding economy; (c) with a great future ahead for Canada, it follows that construction should be leading the way, which will be reflected in activity in the cement industry.

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W. A. HILL

has been appointed general manager of Burndy Canada Ltd., Toronto, electrical connector manufacturing company.

Can. Breweries Salaries Shown

E. P. Taylor, chairman of the board and of the Executive Committee of Canadian Breweries Ltd., received \$72,000 from the company and its subsidiaries during the fiscal year ended Oct. 31, 1949, \$12,000 more than in the previous year, the proxy statement accompanying a notice of the annual meeting on Jan. 25, shows.

Canadian Breweries is listed on the New York Stock Exchange and so has to send shareholders a proxy statement giving salary data.

D. C. Betts, president, was the highest paid officer of the company receiving \$75,000 in the fiscal year — \$15,000 more than in the previous fiscal year.

H. A. Taylor, executive vice-president, was the third highest paid officer receiving \$53,000 in the fiscal year, \$13,000 more than in the previous fiscal year.

All directors and officers as a group received a total of \$475,164 of which \$167,000 was from bonuses and shares in profit.

Shareholders will be asked to consider and, if approved, to confirm Bylaw No. 36 increasing the directors from 12 to 15. Nominees for directors and their shareholdings are as follows:

Name	Com. Shs. owned directly or indirectly as of Dec. 1, 1949	
E. P. Taylor	12,500	(2)
Robert Fleming	365	
M. W. McCutcheon, K.C.	1,595	(2)
Charles F. W. Burns	1,101	
J. A. Bohannon	15,001	(3)
D. C. Betts	1,613	
J. Innes Carling	386	
W. Fraser Hadley	1,501	(4)
Hon. Wilfrid Gagnon	650	
R. S. Caverhill	1,001	
W. Eric Phillips	3,725	(2)
Loring L. Gelbach	1	
George M. Black, Jr.*	500	
H. A. Taylor*	3,000	
John A. McDougald*	1	

(1) Unless otherwise indicated, there has been no change in the principal occupation of any nominee during the past five years.

(2) Messrs. Taylor, Phillips and McCutcheon are directors and officers of Argus Corp., which as of Dec. 1, 1949, was the owner of 330,000 of the companys' common shares.

(3) 7,500 of these shares are held by Guaranty Trust Co. of New York as Trustee under Trust Indenture dated May 26, 1945, in a portion of the corpus of which trust Mr. Bohannon has a contingent remainder and possibility of reverter upon the happening of certain contingencies. In addition, Mr. Bohannon has record but not beneficial ownership of one share.

(4) 1,001 of these shares are held outright and the remainder in trust, in which Colonel Hadley has a present interest in the income.

*Not on previous board.

QUEENSTON GOLD MINES has received payment for underwriting of 222,916 shares at 80c a share under agreement with Harlake Holdings. Issued capital is 3,000,005 shares, leaving 499,995 in treasury.

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Can. Canners Net \$972,588 For 9 Mos., Bonds Offered

The consolidated net profit of Canadian Canners Ltd. for the nine months ended Nov. 30, 1949 amounted to \$972,581, after providing \$523,674 for depreciation, \$5,174 for interest on funded debt and \$650,000 for income taxes, according to the prospectus covering a new bond issue. This compares with the net profit of \$1,359,650 for the fiscal year ending Feb, 28, 1949.

Earnings for the nine months period were equal to \$5.10 a share on the first preference stock and \$3.26 a share on the second preference stock. After taking into consideration the participating feature, maximum amount applicable to the common stock was \$2.56 a share. On the combined second preferred and common stock earnings were \$1.63 a share. Comparable earnings for the last fiscal year were \$7.66 a first preferred share, \$4.39 a second preferred share and \$4.59 being the maximum applicable to the common after participation feature on the stocks, and \$2.50 if all second preferred were converted into common stock.

A new issue of \$5 millions 2¾%, 3% and 3¾% debentures, dated Jan. 15, 1950, is being offered through a syndicate headed by Dominion Securities Corp. and including Nesbitt, Thomson & Co., Cochran, Murray & Co., McLeod, Young, Weir & Co., Royal Securities Corp. and R. A. Daly Co.

The issue will consist of \$500,000 2¾% serial debentures due Jan. 15, 1951-55 (\$100,000 a year) and \$500,000 3% serial debentures due Jan. 15, 1956-60 (\$100,000 a year), sold privately, and \$4 million 3¾% sinking fund debentures due Jan. 15, 1970, offered at \$100 and accrued interest to yield 3.75%.

Proceeds will be used (a) \$250,000 to redeem all the outstanding serial notes due May 1, 1950; (b) to an amount not exceeding \$4,385,000 to redeem at \$23 a share all the outstanding 5% cumulative preferred stock par \$20 (190,639 shares at Nov. 30, 1949) which are not converted into common stock prior to the redemption; and (c) the balance for general corporate purposes.

Maximum annual interest requirements for the debentures will amount to \$178,750. Consolidated earnings, after depreciation but before interest on funded obligations and income taxes, average \$2,771,761 for the 10 fiscal years and nine months ended Nov. 30, 1949 or over 15 times the maximum annual interest requirements.

Arrangements are being made to provide a contributory pension plan for permanent employees of the company and its subsidiaries at an annual cost estimated not to exceed \$250,000, President E. A. Pearce states in the prospectus.

The pro forma balance sheet as at Nov. 30, 1949 after giving effect to the proposed debenture issue and first preference stock and note redemptions showed total assets of \$31,147,520 including current assets of \$21,446,539. Cash amounted to \$331,234, accounts receivable to \$2,262,940 and inventories of \$18,852,365. Fixed assets were carried at \$5,912,437, after depreciation of \$12,399,294. Goodwill, etc. was \$3,242,620.

Current liabilities amounted to \$9,947,463 including bank advances at \$6,798,017. Debentures total \$5 million. Contingent reserve was \$3 million. Reserve for employees benefit fund was \$400,000. Capital stock was \$6,767,037, capital surplus \$144,595 and earned surplus \$5,888,425.

Since the end of the fiscal year on Feb. 28, 1949, a total of 48,003 shares of convertible preferred stock has been converted into common, reducing the outstanding convertible preferred to 241,070 shares increasing the outstanding common stock to 251,860 shares as at Jan. 5, 1950.

Capitalization outstanding as at Nov. 30, 1949, after giving effect to the financing, will consist of the \$5 million debentures, 254,392 no par value shares of convertible preference stock and 238,534 no par value common shares.

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Legal Opinion: Messrs. Daly, Thistle, Judson & McTaggart

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Traders Finance Earnings Up Sharply, Bonds Offered

The net profit available for dividends of Traders Finance Corp. amounted to $1,445,638 for the 10 months ended Oct. 31, 1949—49.5% higher than the net profit available for dividends of $967,111 for the whole year of 1948, according to a prospectus covering a new debenture issue. The amount available for dividends on the Class A and Class B shares is $1,314,388 for the 10 months ($809,611 for the year 1948), according to President A. E. Naylor. This is equal to $4.68 on the combined outstanding Class A and Class B shares.

"Present conditions indicate a continuance of the upward trend in earnings. The Board of Directors has for some time felt justified in having increased earnings reflected in increased dividends," Mr. Naylor states in the prospectus.

Dividends at the rate of $1.50 a share a year payable quarterly are currently being paid on the Class A and Class B common shares. Previous to the payment of 37½c a share on Oct. 1, 1949, quarterly payments at 25c a share had been made on the stock since Jan. 3, 1949, following the three-for-one split, with an extra 25c also being paid on that date.

An additional issue of $4 millions Traders Finance Corp. 4% convertible sinking fund debentures, dated Jan. 15, 1950, and due Jan. 15, 1965, is being offered this week at $100 and accrued interest to yield 4% by a syndicate managed by McLeod, Young, Weir & Co. and including Nesbitt, Thomson & Co. and Gairdner & Co.

Proceeds will be used for general corporate purposes.

The debentures will be convertible at the rate of 33 shares per $1,000 debenture or at a price of about $30.30 per share converted on or before Jan. 15, 1952; thereafter and on and before Jan. 15, 1954, at 31 shares per $1,000 (about $32.26 a share); thereafter and on or before Jan. 15, 1956, at 29 shares per $1,000 ($34.48); thereafter and on or before Jan. 15, 1957, at 27 shares per $1,000 ($37.04); and thereafter and on or before Jan. 15, 1958, at 25 shares per $1,000 debenture ($40 a share). The convertible feature ends after Jan. 15, 1958.

Earnings available after interest on bank borrowings and secured obligations have averaged $855,568 a year for the 10-year and ten-month period ended Oct. 31, 1949. This is approximately 2.52 times the maximum amount of annual interest requirements totaling $339,410, on the $4,841,500 3¼% series A and 4% series B sinking fund debentures and convertible sinking fund debentures issued and outstanding as at Dec. 31, 1949 (after providing for retirement of $50,000 series A debentures through sinking fund at Jan. 3, 1950), and the $4 million principal amount of 4% convertible sinking fund debentures now being offered for sale. For the 10 months ended Oct. 31, 1949, the balance of earnings available was 6.79 times the amount of such interest requirements.

Volume of business handled continues to show a substantial increase as a direct result of the high production and availability to the consumer of motor vehicles and other durable goods, Mr. Naylor states. Notes receivable outstanding amounted to $55,560,000 at Oct. 31, 1949, as against $32,085,000 at Dec. 31, 1948, $25,550,000 at Dec. 31, 1947, and $11,361,000 at Dec. 31, 1946.

Capitalization, upon completion of present financing, will be as follows:

CAPITALIZATION

	Authorized	Outstanding
Collateral Trust Notes·		
3¼% Notes, series A, due Feb. 1, 1954	$5,000,000	$5,000,000
2½% Serial notes, series B, due Sept. 1, 1949-51	10,000,000	10,000,000
4½% Demand notes, series C		♦10,500,000
3½% Notes, series D, due Apr. 1, 1959	7,500,000	7,500,000
2½-2¾% Notes, series E, due Nov. 15, 1950-51	3,000,000	▲3,000,000
3½% Notes, series F, due Dec. 15, 1964	6,500,000	•6,500,000
Debentures:		
3¼% s. f. series A, due Jan. 2, 1958	4,000,000	‡1,900,000
4% s. f. series B, due May 1, 1963		‡1,950,000
4% conv. s. f., due Apr. 1, 1964	....	♦§991,500
4% conv. s. f., due Jan. 15, 1965	....	4,000,000
4½% pref. stock, cum., red., $100 par	3,500,000	3,500,000
Inc. fund. rts., series A*, face value $24.50	13,886 rts.	13,653 rts.
Inc. fund. rts., series B*, face value $28.00	6,574 rts.	6,171 rts.
Common stock, class A†, no par value	480,000 sh.	■160,597 sh.
Common stock, class B†, no par value	120,000 sh.	120,000 sh.

▲Issued in Nov., 1949. •Issued in Dec., 1949

‡After deducting $50,000 purchased for sinking fund in 1949.

§After deducting $1,054,000 converted into class A stock in Oct., Nov., and Dec., 1949.

*Issued in settlement of arrears on old series A and B preference shares.

†After 3-for-1 split in Nov., 1948, and increase in authorized amount approved Jan. 4, 1950.

■Including 47,250 class A shares issued in Oct., Nov. and Dec., 1949, for conversion of 4% debentures.

♦As of Jan. 5, 1950.

GSW Expands Operations; Big Addition at London

A new half a million dollar chapter has been written into the industrially rich history of General Steel Wares Ltd., now the largest manufacturer of major household appliances in Canada.

In London, Ont., GSW has just completed the largest individual extension to its various plants in the 100-year history of the firm. The new $500,000 addition adds 65,000 sq. ft. of space to the world-famous company's plant there, making a total of more than 600,000 square feet.

Fittingly, the big expansion occurred in the city where GSW's extensive operations started. There, back in 1847 a wide-shouldered young man named John McClary, a tinsmith by trade, opened a little metal-working shop. From that modest beginning has grown a firm which now employs 3,000 in plants in London, Toronto, Montreal, Winnipeg and Vancouver.

General Steel Wares Ltd., as such, was incorporated in 1927, to acquire and operate the firm John McClary founded and which developed into the McClary Manufacturing Co., and five other firms: Thomas Davidson Mfg. Co., E. T. Wright Ltd., A. Aubrey et fils, Montreal, Sheet Metal Products of Canada; and the Happy Thought Foundry Co.

All these companies were engaged in similar lines of activity and had been in operation for some years. The Davidson business dated back to 1858; Sheet Metal to 1867; A. Aubrey, 1874; Happy Thought, 1855.

3,000 Employed

Properties include plants in Toronto, two in London, Montreal, Winnipeg and Vancouver. Between them they have a combined floor area in excess of 50 acres. Operated in conjunction with these plants are sales branch warehouses and shipping depots in Vancouver, Winnipeg, Calgary, Toronto and Montreal.

During the last 30 years the name McClary has become synonymous with GSW. Products bearing the famous McClary trademark are as well known today as a century ago when John McClary made pots and pans in his little shop (later the famous McClary pot-bellied stoves) and then sent his peddlers with their horse-drawn wagons out into the country where they were always welcome and always needed.

Since then, hundreds of different appliances have come from the original McClary factory and the vast GSW organization:

Enameled, japanned, aluminum, galvanized, nickel, tin, copper and other sheet metal kitchen utensils; stove pipes, lanterns, milk cans, eaves trough plumbing fixtures, tins and pails of all descriptions; metal signs and name plates, shovels, steel sinks and wash basins, ice boxes, refrigerators and a full range of hotel, hospital, restaurant and soda fountain equipment.

Also electric, gas, coal and wood ranges, heating stoves of all descriptions, warm air furnaces and air conditioning systems.

It is a long time since John McClary made his first pot-bellied stove. The log cabin it was for has gone. So has the peddler who sold it. But somehow the old McClary stove has remained. There are new, gleaming streamlined stoves bearing the same famous trademark. But still being made is the quaint pot-bellied affair around which men, for generations, talked war and politics and which has become an inherent part of Canadiana.

Expect First Public Issue Of Woodhouse Realties Ltd.

A new issue of $800,000 bonds of Woodhouse Realties Ltd.—the first public issue for this group—is expected to be offered soon by Gairdner & Co. The issue will consist of 4½% first closed mortgage sinking fund bonds due Feb. 1, 1970 which will be guaranteed by Woodhouse & Co. Offering price will be $100 to yield 4.50%.

Woodhouse & Co. began operations in 1911 and operates a furniture store in Montreal. It is owned by Great Universal Stores Ltd. of London, Eng., said to be one of the largest retail clothing and furniture merchandisers in the British Commonwealth.

Woodhouse & Co. owns the Adams Furniture Co. of Toronto and an interest in Legare Co. in Montreal and C. W. Lindsay & Co., Montreal, according to figures in the preliminary prospectus which are subject to change.

Altogether the group has 85 stores and branches in Quebec, Ontario and New Brunswick.

Proceeds of the issue are to finance a new building in Montreal which will be used to provide warehouse and office space, The Financial Post understands.

FRANK H. MILLINGTON

has been appointed general manager of Daoust & Lalonde, Inc., Montreal. He was formerly executive vice-president and director, Shoe Manufacturers' Association of Canada.

Hackbusch Heads Radio Technicians

Ralph Hackbusch, president Stromberg-Carlson of Canada, was this week re-elected president of the Canadian Radio Technical Planning Board. Also re-elected were: G. W. Olive, CBC Director-General of Engineering, vice-president, and S. D. Brownley, secretary Radio Manufacturers' Association, secretary. The RTPB is a unique agency which acts in an advisory capacity to variety of related industries, including Air Industries Transport Association, CBC, Hydro Commissions in Ontario and Quebec, Radio Manufacturers' Association, etc.

B. J. Coghlin Offers 26,000 NPV Common

MONTREAL (Staff)—An offering of 26,000 no par value common shares of the 80-year-old B. J. Coghlin Co., Montreal springs manufacturing concern, was made this week by Molson Securities Ltd. Shares were offered at $13.50 per share.

The offer does not represent new financing by the company, the shares having been purchased from existing shareholders. Present management will continue in charge of the company's affairs, according to the offering prospectus.

B. J. Coghlin Company makes springs of all kinds, both leaf and coil springs — compression and tension. Customers include the railways and the mining, engineering, agricultural, air transportation and marine industries. It also makes a complete line of forged track tools.

Company's head office and plant is on Ontario St. E. in Montreal. It also owns 327,000 square feet of land on Cote des Neiges Rd. in the northern part of the city.

Net profits (excluding profits on sales of investments) in recent years ended April 30 were: 1949, $109,696; 1948, $99,411; 1947, $64,643; 1946, $106,234; 1945, $105,571; 1944, $104,348; 1943, $110.602 In the six months ended Oct. 31, 1949, net profit was $58,967, equal to annual rate of $1.64 per share. Average net profit for past 10½ years, on the basis of the present capitalization, was $1.42 without including profits on sale of investments which averaged approximately 20c a share of the period, prospectus states. Current dividend rate is 80c a share per annum.

Pro forma balance sheet as at Oct. 31 shows net fixed assets after $427,763 depreciation of $220,159. Current assets are shown at $591,361, current liabilities $83,606, leaving working capital of $507,755. Total assets were $825,047. A $10,000 5% mortgage due April 1, 1951, is outstanding.

Capitalization, after giving effect to redemption Jan. 30, 1950, of 540 7% cumulative preference shares at $135 per share and to subdivision of old $100 par common stock into no par value shares on basis of 50 new shares for each old share consists of 223,000 authorized, 71,650 issued npv common shares.

Directors are: B. W. Coghlin, president; T. C. McConkey, vice-president; N. J. Dawes, C. H. B. Hands, G. Miller Hyde, F. O. Peterson and H. I. Ross.

READY TO SERVE YOU ...

with professional skill in the following capacities

- Executor and Trustee
- Transfer Agent and Registrar
- Real Estate Management, Sales and Rental
- Investment Management
- Collection Agent

Be Thrifty in 'Fifty

OPEN A SAVINGS ACCOUNT TODAY WITH

CHARTERED TRUST
COMPANY

34 King Street W., Toronto, WA. 7681
388 St. James St. W., Montreal, HA. 5166

Staff Changes

Chartered banks announce the following staff changes:

Dominion:

T. B. CONNOCHIE, formerly staff supervisor at head office, to be assistant manager, Winnipeg

G. H. CLARKSON, formerly assistant manager, Montreal, to be staff supervisor, head office.

R. W. CLEMENT, to be manager, Jasper Ave. & 103rd St., Edmonton.

E. PERKES, to be manager, New Toronto, Ont.

J. R. BLACK, to be accountant, Whitby, Ont.

W. R. HOFFMAN, to be accountant, Jasper Ave. & 103rd St., Edmonton.

New Issue

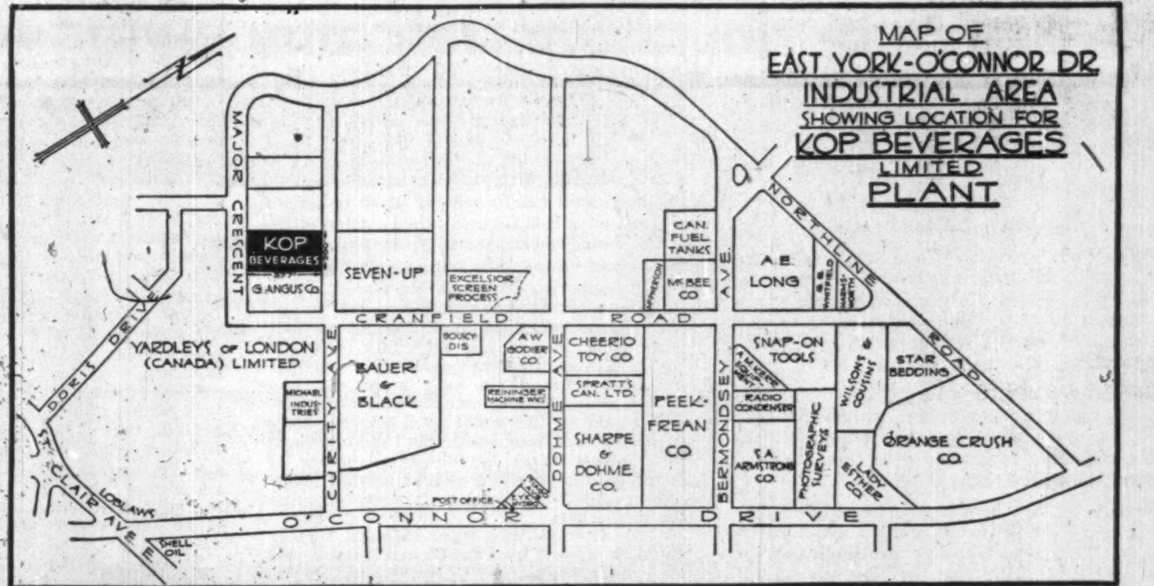
KOP BEVERAGES LIMITED

(Incorporated under the laws of the Province of Ontario)

Authorized Capital $1,000,000.00
40,000 Preference Shares .... $10.00 Par Value
600,000 Common Shares .... No Par Value

200,000 Shares of the Common Stock
Now Offered for Public Subscription
Price — 60c Per Share

Transfer Agents & Registrars
Guaranty Trust Co. of Canada, Toronto



The above map shows the location of the property recently purchased by Kop Beverages Limited as the site for the company's large manufacturing and bottling plant to be erected in the new East York—O'Connor Drive Industrial Area adjacent to Toronto, situated about one mile east of Leaside. The company's land embraces a full two acres, with a frontage of 200 feet on Curity Avenue and a depth of 377 feet, running through to a frontage of 200 feet also on Major Crescent, providing street access at both back and front of the plant.

THE INDUSTRY

Kop Beverages Limited is now organizing its program for production of Carbonated Beverages, Syrups, Concentrates, Extracts, Essences, etc., using its own controlled formulae which have been tested and proven of outstanding merit.

The progressive growth of public demand for Carbonated Beverages through recent years amongst all classes of people and in all types of communities throughout Canada and the United States, indicates the breadth of the opportunity for successful development and rapid expansion of the company's business. (Shareholders of Beverage Companies have been fortunate).

Concurrently, the increasing demand for Syrups, Extracts, Fillers, Coatings, Toppings, etc., by the Baking, Confectionery, Candy Industries, and the Soda Fountain trade and other food and beverage producers and dispensers, also presents a wide market for cultivation by the company.

THE PARENT PLANT

On the site indicated in the above map, the company will construct its large parent plant with an initial capacity of One Half Million cases of Carbonated Beverages per year, plus equipment and facilities for the manufacture of the other products mentioned. It will maintain its own fleet of trucks to service the Toronto District, and other areas within economic trucking and completely controlled company servicing distance from the parent plant. For other areas, franchises will be allotted to bottlers and territorial distributors throughout Canada, on an attractive and exclusive contract basis.

Construction and internal arrangement of the plant, and the machinery and equipment, are planned to give streamlined operation, ensuring maximum quality of products and of economy and simplicity in maintaining production and giving service to customers.

OF SPECIAL INTEREST

Particular importance is attached to the possibilities for developing quickly, large demand for the company's Cola Drink, the formula being considered by the management to be the finest Cola flavour on the North American Continent, affording opportunity for extensive sale of the bottled beverage and large supplementary sale of the Cola Syrup for fountain dispensers and others.

Another special feature of the company's program is to be the sale and installation of automatic vending machines, serviced by the company, for Theatres, Amusement Parks, Factories, Industrial Plants, etc. This division of the business has unlimited possibilities.

An Outstanding Opportunity

The present offering of Common Shares of the company affords a rather unique opportunity for persons with modest capital available to secure at low cost a share interest in an industrial enterprise capable of development and expansion of a very high order, and it merits your most serious attention.

KOP BEVERAGES LIMITED
62 Richmond St. West. - - - Toronto, Ontario

DIRECTORS
Joseph B. Kopman, Toronto Stewart A. Woods, Toronto John Gracie, Toronto
James D. Ince, Toronto I. Philip Dickler, Toronto

MAKE YOUR APPLICATION FOR SHARES—OR REQUEST FURTHER INFORMATION IMMEDIATELY

The Offering of Shares is being made direct to you by the Company, and the proceeds go directly into the company's treasury.

To KOP BEVERAGES LIMITED,
62 Richmond St. West,
TORONTO, ONTARIO.

☐ Kindly send me further information about the plans of your company.

I offer to purchase .... Common Shares, No Par Value of KOP BEVERAGES LIMITED at 60c per share.

I enclose herewith $........................ being payment in full .... Cheque .... Money Order.

Name ....
Address ....
....

The Editorial Page

Subsidies Not the Answer

Charitable observers can only assume that all this clamor for farm floor prices and subsidies, all these threats of boycotts and farm strikes, come from agricultural spokesmen who cannot remember as far back as 1919-20 and have not read of what happened then and what followed.

Shortly after the end of the first world war prices started to fall, just as they are now starting to fall. Then as now there was an outburst from those leaders who claimed to speak for agriculture. There were threats that farmers would refuse to buy urban-made goods, that they would refuse to sell food at the lower prices. There were demands on the government to hold up farm prices or pay subsidies out of public funds. There were dire prophecies of national ruin.

What happened?

Farm and other prices continued to decline and within a few months this country was enjoying one of the most prosperous periods in its history. Indeed so stable and generally satisfactory was the national economy that the five years from 1921 to 1926 were long regarded as the proper yardstick for measuring our economic health. Lower prices and cheaper production for agriculture and other industries opened vast new markets both at home and abroad.

In the clamor which followed the first price declines in 1919-20 not much was heard about the necessity of getting excessive costs reduced. That came later. And that same vital point, unfortunately is receiving far too little attention in the public clamor today.

But there are a few authorities that are looking ahead. At the closing sessions of the Ontario Federation of Agriculture convention in Toronto last week, former Dominion livestock commissioner H. S. Arkell, now farming in Carleton County, bluntly outlined the real solution. Canadian agriculture, he said must bring its prices down to world levels, farm floor prices and subsidies at best represent only temporary relief.

"Our domestic prices must fall to the world market level," stated Mr. Arkell. "There is no other course we can follow. We are trying to trade on the world level and live on the dollar level and it can't go on indefinitely."

All this wild talk of boycotts and strikes is both silly and dangerous; silly because farm boycotts and strikes are just not possible; dangerous because they antagonize consumers at a time when farmers need their help and their understanding.

Canadian consumers are not seeking or expecting cut-rate bargains in foods. From experience later they know the real price paid for the 15-cent bacon and eggs of the 'thirties. As taxpayers they are willing to take reasonable steps to prevent a farm collapse. But they are not willing to have their money used to peg food prices above what they can afford and the rest of the world will pay.

Though they have never been able to prove it, irresponsible farm spokesmen have charged that certain industries withheld their goods from market when prices threatened to fall. But they never went so far as to accuse these industries of using public money to finance such shenanigans. And if they know anything at all about public sentiment farm leaders today will not expect consumers to finance their own holdup.

Artificial prices and unrealistic subsidies will not solve our farm troubles. They will only aggravate them. The real solution lies in lower prices and lower costs.

Let's Develop This Wealth

"The Canadian north has possibly the greatest reservoir of undeveloped wealth in the world," President J. L. Carson told shareholders at the 94th annual meeting of the Bank of Toronto this week. And Mr. Carson made it clear that the development of this great area should be our most pressing and urgent national job in the years ahead. To do that, he said, we needed to train more technicians and to give more encouragement to immigration.

Mr. Carson pointed out that:

> "To date less than 20% of the total area (of the Canadian north) has been explored, mapped, surveyed or appraised, and less than half of this part has been prospected. Yet already it provides a substantial proportion of our national income. Vigorous development of the north, and consequent broadening of revenue sources, and reduction of taxation, is of paramount interest to Canada, and would require policies aggressive, courageous and imaginative."
>
> "The spectacular development in oil production in Alberta is just one instance of what the future has in store. From our forest crop and mineral production, aggregating approximately three billion dollars, it is not difficult to visualize an increase of from 30% to 50% in these industries within a few years."

In the first half of this century Canada has set an example to the world in national expansion. If anyone wonders whether that great pace can be maintained in the next 50 years, Mr. Carson has pointed out the way.

Holiday Sans Frills

As a holiday paradise Nova Scotia gets some well earned publicity in the current issue of the Atlantic Monthly. There is also some excellent advice to those who would cater to that vast army of tourists who must have some regard for their pocketbooks.

For $25 a week for a single room or $32 for a cabin, including meals, an American writer found accommodation and recreation that he claims compares favorably with the swankiest his own country can offer.

The secret lies in the absence of frills, expensive both for the establishment which offers them and the guest who is expected to pay the bills. The other kind that includes everything, remarks the Atlantic man, is something in the manner of a de luxe world cruise, "delightful stuff and good value if you can stand the price."

At his Nova Scotia resort this visitor found that no food was wasted, if you wanted an extra roll or an extra helping you asked for it. No food went back into the kitchen to be thrown out. You carried your own wood from the common pile for your cabin fireplace, you pumped your own drinking water, you heated your own shaving water, you bathed in the lake or used a tub in the main lodge. You stored your own beer in a community ice house.

There were no pushbuttons, telephone, radios or other gadgets in the cabins, but no tips or extra service charges either and no expensive plant and equipment on which returns would have to be earned.

Judged by de luxe standards the whole thing added up to what some might claim was a rather primitive holiday but it is the kind that many millions of people would appreciate and, what is more, could afford.

A National Loss

Agriculturists who have been deploring the steady decline in Canada's farm population have recruited an ally in the head of the Provincial Bank of Canada. Addressing the annual meeting of that institution in Montreal last week, Hon. E. L. Patenaude pointed out that something more valuable than dollars was involved. He said:

> "During the past few years, a declining trend in agricultural population has been evident, while employment in manufacturing industries has mounted steadily. This drift from the country to the city cannot in the long run but constitute a national loss. Agriculture is the foundation on which rests the social and economic life of a nation. Moreover the current difficulties of exporting our surplus farm products might give added impetus to the exodus from rural districts to industrial areas. Hence, we should take every possible practical measure to prevent a drop in the prices of farm products, and at the same time demonstrate to the farmer that the take-home pay of the industrial worker is only a feeble compensation for what he gives up when he leaves the farm. Agriculture—the family operated farm—is the mightiest bulwark against social disorder. Unemployment and strikes, two evils of the factory, are unknown on the farm; 'on ne chôme pas sur le sillon,' and the land always nourishes those who work on it."

An unpublished official survey before the war revealed the sombre fact that the average age of Canada's working farmers was well past 60. Since then it must have risen because there was a substantial movement of young rural population into the armed forces and war plants after 1939, a movement which has not been balanced by any great postwar swing in the other direction. Fortunately for Canada and a good deal of the democratic world, the decline in population was not followed by a corresponding drop in farm production. Increased mechanization more than took up the slack. But other problems involved in this switch in population have not been solved and Mr. Patenaude does well to draw public attention to the fact.

Must Solve This Problem

"The plain truth is that Canada's domestic prosperity depends upon our handling of a complicated foreign trade problem." That was the blunt warning of James Muir in his presidential address to shareholders of the Royal Bank of Canada last week.

Mr. Muir made it clear that he was neither a pessimist nor an optimist. "We should not be either exalted or depressed," he said, but he pointed out that in the past the fortunes of our export trade have invariably been reflected three to six months later in our national income.

Our fundamental problem said the Royal Bank president was to achieve more balance in our trade with Britain and other soft countries. But he would do this not by imposing more controls and restrictions but by moving in exactly the opposite direction. He stated:

> "The most favorable development in our world trade would be an increase in our imports from Europe and especially from the United Kingdom, or increased dollar earnings by these countries in their trade with the United States. To wipe out our U. S. dollar deficit would involve a shift of a comparatively small percentage of our present imports from the United States to European sources of supply; and a shift of a similar portion of our export trade from overseas channels to United States markets.
>
> "To attempt this shift through further curbs on imports from the United States would be a move backward to more rigid exchange controls with all the disadvantages of such a move for ourselves and for the world economy.
>
> "Fortunately the recent devaluations have provided some incentive for precisely the shift we have in mind without an increase in controls. European exports to Canada and the United States have been made more profitable relative to exports to soft-currency areas; and imports from the dollar area have become more expensive in terms of European currencies relative to imports from soft-currency areas. But the end result will depend on the effectiveness of the devaluations over a period of time; and the truly multilateral solution without a retreat into controls must wait upon a general attack on currency problems."

Turning to the democratic world at large, now split between two currencies, hard and soft, Mr. Muir summed up the fundamental problem when he said that "debtor countries must behave like responsible debtors and accept the discipline imposed by the competitive requirements of free international trade. Creditor countries must behave like good creditors and help make their debtors solvent and prosperous. One way is through the encouragement by creditor countries of international investment by their citizens, and they must also join with debtor countries in the removal of barriers to the movement of goods, services, and human beings across international frontiers."

Memo For MP's

There are two little jobs which Parliament should handle without fail this session. Neither need take much time nor arouse any great controversy. Both of them, however, would end a lot of inconvenience to the general public and would result in a considerable saving to general business.

They are:

1—To have all national holidays, like Victoria and Dominion Days, celebrated on the nearest Monday to the actual date.

2—Where daylight saving has been approved to have it start and end on the same day and hour throughout the whole country. Last year there were variations of weeks in the starting of this measure and even longer in the ending of it.

For both jobs all that is needed is a little initiative on the part of Parliament and the co-operation of provincial and municipal authorities. Let's have it.

Napier Moore's Scratch Pad

LAST WEEK'S Dominion-provincial conference appears to have been quite a harmonious affair. It seems to us to be not beyond the realm of possibility that this unusual happening was related to another unusual happening. Press observers reported that on January 11 Premier Joseph Smallwood of Newfoundland broke all precedent at such conferences, and in the chamber, by lighting a cigarette. He'd no sooner done this than other delegates got pipes and cigars going.

We won't go as far as did Robert Burton 300 years ago. He wrote: "Tobacco, divine, rare, superexcellent tobacco, which goes far beyond all the panaceas, potable gold and philosophers' stones, a sovereign remedy to all diseases."

We're content to remark that it's pretty difficult for men to be at loggerheads when they're borrowing matches from each other.

* * *

A MONTH OR TWO ago, Ralph Magee, a former associate of ours, took a job which moved him to England. He had never been there before, and he's meeting with surprises every day. He reports: "Going out to Sunningdale the other day I chatted with an English television engineer on the train. I remarked on the large number of TV aerials all over the country. He said, 'Don't be fooled by those. That's England's newest form of snobbery. Half of those aerials are there for pure swank, to impress the neighbors. The owners have no television sets; they just want their neighbors to think they have.'"

* * *

HEADLINE in Canadian Paint and Varnish Magazine: "Brazilian Castor Oil Up." One of the universal troubles of mankind is keeping castor oil down.

* * *

BACK IN 1926, the Royal Bank decided to issue a Monthly Letter. Its first writer was Graham Towers. It was as popular as most financial letters. But it drew no rave notices in the press and no mash notes. Which isn't saying that Mr. Towers wasn't a success as a writer. Today his byline is on every piece of Canada's paper money.

For 17 years the letter created no great stir because it was the usual type of thing—statistical, economic and retrospective. Then it occurred to the bank's executive that the public might welcome something with more human interest. The letter for December, 1943, took readers by surprise. In a colorful way it dealt with India, its history, its present and its potentialities. The bank heads were in turn surprised by the letters, telegrams and cables which resulted. Reprints had to be made; the British Ministry of Information used the article as a pamphlet.

Being canny, the bank made another test. The February, 1944, letter dealt with business conditions in the preceding year. It didn't cause a ripple. From that time on, John R. Heron, present writer of the letter, has pretty well stuck to human interest. He has dealt with such things as "The Family and Its Problems." "When You Are On Your Own," "A Story of Oil," and so forth. His "Let's Slow Down," a well-reasoned article on the necessity of businessmen learning how to relax, was widely quoted and discussed.

The request circulation of the letter's edition in English has multiplied by five; that of the French language edition by eight. On occasion Spanish and Portuguese editions are published. James Muir, Royal's president, has said there is no doubt that the letter has excellent public relations value.

There's a moral in all this. We think it would be a good thing if all banks injected more human interest into all their literature, particularly into their reports of annual meetings and presidential addresses. There's plenty of good stuff in them. Too often it's buried in dreary-looking formal display.

* * *

WHENEVER we make reference to odd place names, or to personal names which are oddly appropriate in certain circumstances, we speedily get a lot of letters quoting other examples.

In this week's crop is a clipping from the Ontario Association of the Deaf News which states that on the staff of the Hudson's Bay store at McKenzie Island, Ont., are three clerks whose respective surnames are Pepper, Salt and Coffee.

And Mel Williams reports that while he was at McKenzie Island in 1946 the medical adviser was a Dr. Wolfe and the nurse a Miss Fox.

That, we think, ought to be enough for some time.

Stop Me If—

"My wife says that if I died she would remain a widow."

"Evidently she thinks there's not another man like you."

"No, she's afraid there is."

* * *

A magistrate was discussing beverages with a friend.

"Have you ever tried gin and ginger beer?" asked the friend.

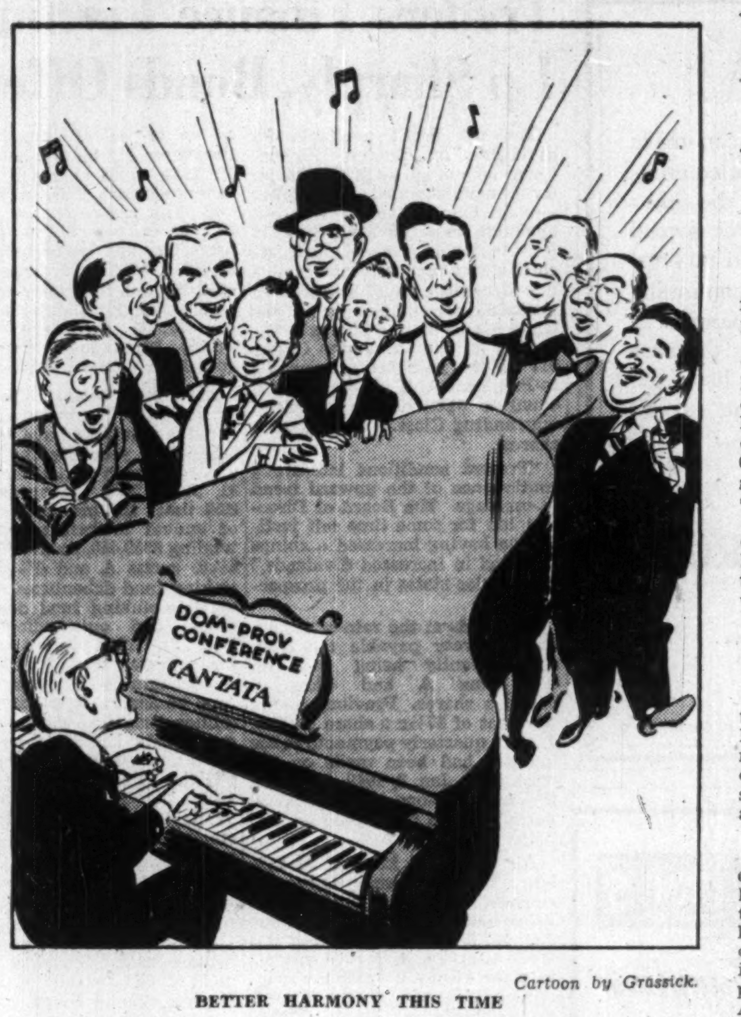
"No," replied the magistrate, "but I've tried a lot of folks who have."

* * *

The doctor had for a patient a stubborn, self-opinionated man who disregarded most of his advice and diet rules. After the third visit, with no improvement in the man's condition, the doctor blew up. "I have done all that I could for you, but you refuse to follow my directions," he said. "I suggest that in the future you consult Dr. X down the street."

"Why, that man is a veterinary!" the stubborn one exclaimed.

"I am well aware of the fact," the doctor replied. "Good-day, sir!"



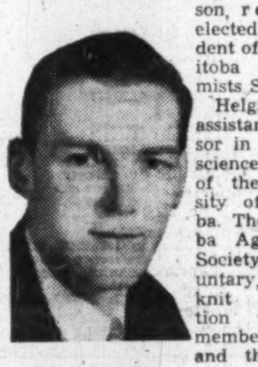
BETTER HARMONY THIS TIME

Cartoon by Grassick.

Post Scripts

Agronomist's President

In the long list of persons of Icelandic origin who have made their careers in the field of scientific research is included Sigurdur Helgason, recently elected president of the Manitoba Agronomists Society.



MR. HELGASON

Helgason is assistant professor in the plant science division of the University of Manitoba. The Manitoba Agronomists Society is a voluntary, loosely knit organization with no membership fees and the 80 or more on its rolls include those working in scientific agriculture. It functions chiefly as a clearinghouse for the latest findings of researchers and the reports submitted at its annual conferences are usually the most complete and up-to-date issued.

Originally the society concerned itself with cereal plant disease in its restricted sense, parasitic fungi including rust and smut, bacteria, viruses, and not to injuries caused by insects and other plant pests. More recently its activities have broadened out to include nearly everything which may affect farm crops, even control of noxious weeds. As a result the agronomists take second place to no group for the importance of their contribution to stabilize agricultural production and eliminating risks of the producers.

When a mere lad Helgason turned his attention to this kind of work. His father migrated from Iceland about 1900 and settled on a farm near Elfros, Saskatchewan. When four years old young Helgason moved to live with an aunt in Baldur, Manitoba, where he attended school. After finishing high school he worked three years on a farm and registered for a diploma course in agriculture at the University of Manitoba.

His instructors encouraged him to take a degree course because of his aptitude and efficiency in research. Accepting their advice he worked between terms in the research laboratory of the plant science division and graduated with his B. Sc. in 1939.

On graduation he took a job as research assistant in the forage crops division of the Dominion Experimental Farm at Morden, Manitoba.

* * *

From Scotland via the West

Thirty-nine years ago a young Scottish lad of 19 from Edinburgh stepped off the train at Red Deer, Alta., to join the staff of the Imperial Bank of Canada. It was 40 below zero and he was lonely. The loneliness was worse than the cold. But he was determined to make a go of his job and as weeks passed, western hospitality overcame his feeling of homesickness, he found zero weather could be quite enjoyable, and he became an enthusiastic Westerner.

MR. MACKERSY

That young man was Lindsay Stuart Mackersy. Last week he was appointed general manager of Imperial Bank of Canada. He had really come to Canada to visit an older brother. An uncle of his had been an official of the Commercial Bank of Scotland and he was thus predisposed toward banking. An opportunity to enter the Imperial Bank service occurred so it was not surprising that he made banking his profession also.

Three years after he joined the Imperial Bank, World War I broke out and young Mackersy, who had belonged to the British Territorials previous to coming to Canada, decided to join the army. Getting leave from the bank he crossed the Atlantic and became a commissioned officer with the Royal Artillery. That was in December, 1914. He was sent almost directly to Malta and then to France where he served to the end of the war. He was discharged with the rank of major and decorated with the Military Cross.

Mackersy rejoined the bank at Vancouver and in 1923 was appointed accountant at Nelson. Gradually he worked eastward. From 1929 to 1936 he was assistant manager at Edmonton; then assistant western superintendent at Winnipeg; in 1942 manager of the Winnipeg branch, in October, 1943, general supervisor at head office and assistant general manager in 1944.

Above medium height, powerfully built, dark haired becoming bald, clean shaven, Mackersy was educated at George Watson's Academy in Edinburgh. He looks back on the 30-odd years spent in Western Canada as invaluable in giving him knowledge of people and affairs. As a banker he has specialized in credits more than any other branch, and with a good humored twinkle in his eye and smoking his briar pipe, he has a gift for sizing up a proposition.

For recreation he likes fishing and golf, his golf score being usually in the low 90's, occasionally getting into the high 80's. He is married, his wife being formerly Gladys Osborn of Nantwich, Cheshire, England. They have three daughters.

* * *

Construction's Head Man

In Montreal this week the Canadian Construction Association installed the youngest president it has ever had.

Robert Drummond, 46, was a turn-of-century baby in Ayrshire, Scotland (1903). He assumes the nation's top construction post at the moment "Canada's century" passes its challenging halfway mark.

President and general manager of A. W. Robertson Ltd., Toronto, vice-president of the parent Angus Robertson firm in Montreal, both firms among Central Canada's top-volume general contract builders of industrial, utility and institutional structures. Drummond also is vice-president of Ready Mix Concrete in Leaside, Ont., a director of Scotstown Granite, Rayner Construction (engineering works), and Nonskid Pavement Ltd.

The new CCA president came to Canada at 11 with a mechanical engineer father who later made shell fuses in his own Montreal machine shop during World War I. Drummond Jr. got into construction while still in short pants and public school as a waterboy on City of Montreal sewer projects during summer vacation at the age of 12.

CCA's "Bulldog" is no classroom engineer—he got where he is by supplementing extensive field training with spare-time boning in science via private tutors and correspondence courses. Bob Drummond left high school at 15 to join Anglin Ltd. (now Anglin-Norcross) as office boy. His rise was rapid through estimating to project direction and then executive capacity. In 1929, at 25, he was sent to Toronto by Anglin-Norcross to take full charge of administration of erection of the Canadian Bank of Commerce head office building, tallest in the British Commonwealth, and from 1931 to 1937 continued in Toronto as assistant general manager of Anglin-Norcross Ontario Ltd.

Drummond joined A. W. Robertson Ltd. in 1937 as managing director, became president and manager of that firm two years ago.

The Drummonds (Olive Lilian Isobel Lepper, Westmount, Que.) have two grown daughters (Olive-Marjorie and Heather-Anne), an attractive home in Port Credit, near Toronto, and country place "Heathmar" near Port Carling, Muskoka.

What Others Are Saying

Editorial of the Week

Better Watch Step

Hamilton Spectator

It is clear the Federal Government feels its fingers may be badly burned if it continues a policy of price support for food.

Storm signals south of the border — where the buying and lending agency set up by Congress has piled up more than $3,000,000,000 in surplus crop inventories — have registered. Although the Dominion has been a relatively small operator compared to Uncle Sam, there are items like that 60,000,000 pounds of stored butter that leave a giant question mark in the minds of Canadian consumers and taxpayers.

For they bought it with their money so they could go on paying a higher price than they would have had to pay if they had not paid higher taxes to support the price. Alice in Wonderland is the word.

Other People's Views

DON'T BE TOO SURE about the British elections cautions the **Vancouver News-Herald.** "The British have endured much and denied themselves much in recent years. There is grumbling and discontent. Yet the Labor party has retained every seat in the by-elections since 1945. Churchill has a herculean task to lead his party to victory."

WHY CUT TRAINS in the very section of the country where there is plenty of coal, asks the **Halifax Chronicle-Herald?** "The mockery of curtailing service for lack of fuel in a Province which has coal to burn, as it were, is as bitter as it is obvious! But this concerns Canadians in all provinces, for it illustrates the inadequacy of our fuel policy as an economic and a military measure. And that inadequacy is alarming to anyone who gives it even casual scrutiny."

WE CAN'T HELP BRITAIN by discriminating against imports from the United States or anywhere else, asserts the **Winnipeg Free Press.** "The wise course for Canada, for Britain, and for every trading nation is to work for the reconstruction of maximum trade everywhere with a minimum of limitations. Leaving aside the needs of Canada for the moment, no nation in the world depends so utterly as does Britain on such freely functioning world markets. Any attempt by Canada to abort this process not only will damage Canada, as Mr. Gardiner's fiasco is showing today, it will damage Britain even more."

LOCAL U. S. POLITICS are blocking the development of the St. Lawrence Seaway, intimates the **Toronto Globe and Mail.** "Mr. Truman's domestic problems with a balky Congress and his political feuding with Governor Dewey of New York are none of Canada's business. But when they block an international agreement which this country entered in good faith, it becomes our Government's duty to decide how long we will permit the hampering of Canadian progress. This country needs the St. Lawrence power. If we cannot develop it in co-operation with the United States, the only alternative is to see if our engineers can devise an all-Canadian power scheme for our side of the river. Certainly there must be some practical way to assert and obtain our rights."

ADMINISTRATION of the sales tax in Newfoundland arouses the ire of the **St. John's News** which reports an excess of petty inspection. "We have no quarrel with the imposition of a sales tax because the province cannot exist at all without some additional taxation. But the section to which we refer imposes on the public obligations which are almost impossible to fulfill. It fences Newfoundland around with a new kind of customs enforcement. It places every person who receives a parcel from the mainland or who returns from a visit to another province under the shadow of suspicion and may make him liable to personal search or to the search of his home. It is a scandalous provision which ought to be modified before the sales tax is imposed."

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Jan. 21, 1950

What's Ahead for Stocks, Bonds, Commodities in 1950?

What's the outlook for common stock, bond and commodity prices?

Each year, a Toronto group of economists and professional investment men, at a special meeting, calls on one of its members to forecast in each of these groups.

Here, briefly, are their 1950 forecasts:

COMMON STOCK PRICES will drop from present levels to around 190 for the Dow-Jones industrials in February and March and to around 195 for the Toronto Stock Exchange industrials in April or May; then will recover to take the industrial averages a little over 10% above present levels or to about 225 in June or July for the Dow-Jones industrials and to about 230 in the third quarter for the Toronto Stock Exchange industrials and will end the year around present levels for New York and just slightly lower in Canada.

For 1950, market highs and lows and approximate year-end levels as follows:

	High		Low		Year-End
Dow-Jones Industrials	**225**	**(June-July)**	**190**	**(Feb.-Mar.)**	**195-200**
Toronto Industrials ..	**230**	**(3rd qtr.)**	**195**	**(Apr.-May)**	**200-205**
Toronto Golds	**125**	**(4th qtr.)**	**90**	**(2nd qtr.)**	**120-125**
Toronto Base Metals	**120**	**(3rd qtr.)**	**85**	**(Apr.-May)**	**95-100**
Toronto Western Oils	**70**	**(2nd qtr.)**	**50**	**(4th qtr.)**	**50- 55**

HIGH GRADE BOND PRICES will firm slightly with Government of Canada 3% bonds due 1961/66, now about $102⅜ bid, ending the year at about 102⅞ bid.

COMMODITY PRICES will show a drop of about 9% so that the Canadian wholesale price index (1926 = 100), which was 157.0 in November, will be 143.2 next December and the cost of living index will be down moderately or from 161.7 at present to about 154.

(The forecasts rarely, if ever, represent the unanimous opinion of the group.)

Bond Forecast Calls Prices To Be Firm to Higher in '50

Main points in the bond forecast were as follows:

The monetary authorities will hold the "balance of power," as it were, in the bond market in 1950. They will be concerned this year in maintaining the bond market at about present levels with a short movement or two to somewhat higher grounds. A year from now Dominion 3%'s of 1966 will be selling a half a point up or down from today's relatively high level.

A strong market this winter will likely be followed by a new Dominion loan in the spring, although this is not certain. If a new loan is made it will yield less than 2.85% for upward of 20 years.

Good municipal and provincial credits will remain high in price as will the best grade industrials.

On the whole the demand for funds this year by all borrowing bodies as a group will probably be at least as great as in 1949. The normal supply of funds, however, will also be large. Private savings which get into the capital markets through institutional channels continue to rise. Bank deposits continue to climb, particularly time deposits, and life insurance sales are high.

In the business sphere, it now appears that certain areas and industries in this country will suffer some decline in activity this year. If this is the case, or as long as it is likely to be the case, one can hardly expect restrictive credit policies. Full employment, that not altogether unmixed blessing, must be accepted as the practical goal toward which any democratically elected government must work if it hopes to stay in power. An expanded or expanding monetary base is likely to be the rule this year in Canada. Substantial refunding will also take place and this must be done on the most favorable basis possible.

This forecast is limited to one year. A very sharp inflation which threatened to become uncontrollable or a loss of confidence by the investors in the form of government, as has occurred in the United Kingdom, would probably result in higher rates. These, however, are longer term considerations than one year, possibly not much longer than a year because dangerous inflation may now be accumulating in the United States.

The trend in the bond market in Canada in 1950 will be similar to that in the United States.

Last June the Federal Reserve Open Market Committee announced "with a view to increasing the supply of funds available in the market to meet the needs of commerce, business and agriculture it will be the policy of the committee to direct purchases, sales and exchanges of government securities by the Federal Reserve banks with primary regard to the general business and credit situation. The policy of maintaining orderly conditions in the government security markets, and the confidence of investors in government bonds will be continued."

The action taken from time to time by the Federal Reserve during the year appears to suggest that its activity was directed toward maintenance of orderly markets. Recently, there has been some indication that certain officials in the F.R.B. have felt that higher interest rates (or other means of credit control) might be desirable to head off too sharp an inflationary movement.

There appears to be a certain amount of disagreement of matters of policy between the Treasury and Federal Reserve, because Treasury officials are strongly for low interest rates, having in mind the high federal debt and the heavy refunding programs to be faced in this and subsequent years. How the disagreement will be resolved is not yet clear.

This year may not be a year of restriction of credit in the United States. Employment there is presently somewhat less than full and about one million persons are added to the working force each year. While it is likely that U. S. production in 1950 will be high, an increasing rate of production, and not only a rate equivalent to last year, is necessary if full employment is to be achieved. Whether or not it was merely a coincidence that a mild credit restriction and a mild recession both occurred in 1949, it is not likely that the Government will take a chance on the second happening again by reason of the first taking place. Mr. Truman's address on the State of the Nation and his budget which sets an all-time, peacetime record for expenditures, do not indicate a realization of any need for retrenchment or credit restriction. The F.R.B.'s emphasis on the policy of maintaining orderly markets will in all probability continue to hold the market at least at present levels.

Refunding of U. S. Federal debt this year will reach about $14 billions and a deficit of $5½ billions is forecast on ordinary account for the fiscal year ending June 30 next, with little indication that in the subsequent fiscal year budget policy will change. These two facts alone indicate that the Treasury view of low interest rates will be the goal of the monetary authorities in 1950 and if the Federal view that some means of curbing credit must be found it will be along other lines than permitting an appreciable rise in rates.

Predict Commodities Prices To Decline About 9% in 1950

The commodities forecaster predicted:

There will be no collapse in prices in 1950, but prices will show a more pronounced downturn than in 1949. The Canadian wholesale price index (1926 = 100), which was 157.0 in November, will decline to 143.2 by December, 1950, with most of the decline in the latter half of the year. The Cost of Living index will show a more moderate decrease and will likely be down to about 154.0 from 161.7 now.

In 1950 the emphasis will be on changes in the demand factors rather than in the supply factors which have been the most important for the past few years.

In the short term, last September's devaluation which has not yet shown up in the price index will have a supporting or inflationary influence on the index because of the effect on prices of commodities imported from the United States e.g. coal, oil, cotton, etc. Over the longer term, this short-term influence will be more than offset by the greater sterling area devaluation.

The real question for Canada is the probable price trends in the United States and in the United Kingdom.

U. S. Price Trends

In the United States, it would appear there would be a gradual and moderate contraction in aggregate demand, after shortages caused by strikes are caught up. This should become evident about the beginning of the second quarter.

The current resurgence of inventory accumulation is not likely to continue at the present rate.

Capital expenditures in the United States are declining; estimates for first quarter of 1950 show a 14% drop over the same 1949 period. A booming stock market bringing a more favorable climate for equity financing could change this and bring a new wave of construction. The changing type of capital expenditures is significant. The healthy increase in housing construction in 1949 and the large volume estimated for 1950 would indicate large potential demand for servicing, e.g., telephones, electric power, transportation, sidewalks, etc., and also a demand for home furnishings.

U. S. consumers' demand should be down slightly. Development of pension plan demands is really deflationary in its current impact. There is likely to be some decline in car and truck sales from the six millions produced in 1949. This in turn will affect steel output as will also the drop in capital expenditures, particularly for machinery and equipment.

The U. S. farm support program will be an important factor in the Canadian wholesale price index because of the related effect here, e.g., Chicago cash prices of grain tend to set our offering price for Class 2 wheat.

My guess is that there will likely be another cut in the new E.C.A. appropriations this year. This may possibly be offset by implementation of the Point 4 program, a "Save Asia" defense plan or by further large loans by the World Bank.

It appears that U. S. exports are declining. U. S. imports may increase, depending on the ability of foreign countries to keep costs down and the price trend in the United States. Consequently U. S. developments are deflationary.

Together with this there is a possible increase in productivity due to more "know how," new equipment and plant and a more flexible working force.

As for the United Kingdom, Canada is likely to sell it and the sterling area from 10% to 20% less than in 1949. This is more serious than the percentage indicates as the items sold U. K. are mainly ones which will be difficult to sell elsewhere.

Canada may import more from the sterling area and European countries than in 1949.

Germany and Japan have revived as exporting countries.

On the whole, Canadian exports will be down moderately but more than imports will decline.

Capital Investment Program

The capital expenditures program in Canada looks like the main supporting element in prices. It looks as though it will be higher than was thought two or three weeks ago and be just below last year's $3,400 millions total. But there will be a change in character. An expected drop in expenditures on equipment and machinery has implications for the metal consuming industries.

On the consumer demand side, there will be the absence of the $450 million special payments of last spring, a slight drop in labor income, a substantial drop in net farm cash income (which will be a primary deflationary influence) but fairly well maintained dividend payments and higher net rental income.

One big variable will be the size of the yield from this year's agricultural crops.

On the whole, consumer expenditures will be fairly well maintained due to the current high rate of saving, a potential extension of consumer credit and the completion of a large number of houses. The latter will affect the house furnishings business.

This all adds up in my opinion to a moderate reduction in overall demand and some increase in supply.

See Stocks High in Mid-Year To Close Near Present Levels

In addition to going out on a limb with specific levels for the averages as shown in the accompanying table, the stock forecaster suggested that selected stocks of certain industrial groups may attain higher market levels in 1950. These, with his comments, were:

(1.) **Basic steel producing companies**—Although there has been substantial plant expansion since the end of the war, demand remains high, possibly due to the fact that import quotas are still being maintained and new capital expenditures in prospect are large.

(2.) **Petroleum company shares,** particularly where the emphasis is on the development of crude oil and gas, the potential has not been fully discounted. During 1950 at least part of the pipeline from Edmonton to Lake Superior will be in operation, which should allow increased deliveries with a resulting increase in production allowables although this might be offset by new discoveries. The price structure, I am told, is expected to remain pretty stable in 1950.

(3.) **Pulp and paper stocks** have good prospects in 1950, particularly as the demand for newsprint seems to be well sustained, both in Canada and the United States. U. S. demand for certain pulps has improved in recent months, which should stabilize their prices to some extent.

(4.) **Public utility shares** should reflect full capacity operations, as industrial plant expansion and construction of new housing units continue to create new demand for telephones, electricity and gas.

(5.) **Gold mining shares,** while definitely not attractive on a yield basis, may move into higher ground in the coming year, based on present increasing production continuing in 1950. This increased production has been based to some extent on the effect of devaluation, but is mainly because of increased efficiency and higher plant capacities.

(6.) **Base metal stocks** outlook generally speaking, is good, but largely depends on the type of metal mined and produced. There appears to be a greater degree of stability in the price structure which was not the case in 1949.

(7.) **Chemical company shares** have excellent prospects despite the great expansion of this industry created by the growth of new products as a result of research, and their wide acceptance.

On the other side of the picture certain industries do not appear to offer quite as good stock market prospects in the coming year.

Notably, the textile industry may run into difficulties, not only as a result of the great expansion of plant since the war, but also from competition from the sterling area resulting from devaluation.

Automobiles and farm equipment may not experience as good a year, as a large part of the deferred demand has been satisfied. Again the export market becomes a factor and it is hardly conceivable that domestic demand can maintain capacity operations. In addition, the demand for agricultural implements could be affected adversely by any cut in the farm purchasing power, resulting from lower prices for farm products.

The construction industry, which started 1950 on a high level of activity, may experience

(Continued on page 13)

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Retires on Pension

W. R. McCONNELL

After 44 years of continuous service, W. R. McConnell, Assistant Treasurer of The Canada Life Assurance Company, has retired on pension. Mr. McConnell was closely connected with his Company's mortgage loan development in western Canada from 1905. He moved to Toronto ten years ago where he made an important contribution in the management of Canada Life's mortgage loan business.

*

Many Jobs, U. S. Exchange at Stake In Kraft Mill Pollution Decision

The KVP Co.'s mill at Espanola, Ont. will be closed down by April 4, unless the company is granted relief from an injunction preventing it from polluting the waters of the Spanish River. The company had been given a stay for six months on the injunction which expires on that date.

Only hope for the company lies in possible action by the Ontario Legislature.

Last week the judicial committee of the Privy Council rejected KVP's petition for special leave to appeal against injunctions obtained against it by property owners near the mill. The decision upheld a decision of the Supreme Court of Canada that the KVP should not be allowed to appeal.

R. A. Hayward, president of KVP Co. and of its parent company, in referring to the decision last week, stated "We have done everything we can. We have now exhausted all legal remedies in the courts to be relieved of this injunction. In addition the company has done everything that is known to science and has spent over $250,000 on mill improvements to cure the pollution of the stream. We have never said we would not pay damages actually suffered by the operators of tourist camps down stream."

The KVP Co., a subsidiary of the Kalamazoo Vegetable Parchment Co., Parchment, Mich., produces bleached, semi-bleached and unbleached sulphate and unbleached groundwood pulp in its mills at Espanola, Ont. Prior to 1930, Abitibi Power & Paper Co. operated a sulphite mill at the site. KVP Co. purchased the property in January, 1943, and started immediately on development of a new pulp mill and bleaching plant, starting of woods operation and rebuilding of the town. The first groundwood was made Jan. 29, 1946, followed on May 17 by the first chemical pulp.

Its importance to that area today is seen in the fact that it is the only major employer of labor in the area. In the past year, its $14 million plant turned out products with a gross value of about $13.5 millions, of which about 85% was exported to the United States and consequently earned U. S. dollars for Canada It employs around 900 workers steadily the year around in its mill and has an average of around 500 more workers employed in woods operations.

Claims for Damages

In 1947, five actions for damages and an injunction were started against the company. The plaintiffs all operated tourist camps of varying accommodations on the Spanish River. One plaintiff, as well as being a riparian proprietor, owned a waterlot over which the waters of the river flowed and, was a commercial fisherman holding a provincial license.

The plaintiffs claimed damages and asked for an injunction on the grounds that:

(1) Their comfort and their enjoyment of their land was interfered with by reason of foul odors given off from the water.

(2) The water was rendered unfit for human consumption either in its raw state or after it had been boiled.

(3) The ice taken from the water for domestic use was unfit for the purposes for which it was used.

(4) The water was repulsive to farm animals and milking cows would not drink it in sufficient quantities to maintain normal milk supply.

(5) The water was unfit to bathe in.

(6) The fish were either being killed or driven therefrom.

(7) Wild rice, which had formerly grown in abundance in the waters of the river, forming a feeding ground for wild ducks, had been destroyed.

Defense Argument

The defendant did not deny that obnoxious matter was discharged into the river from its mill, but it contended that this was sufficiently diluted by the waters of the river to render it harmless. It was also argued on behalf of the plaintiff that no right of action lay at the instance of the plaintiffs for interference with the fish in the river.

An injunction restraining the defendant from depositing foreign substances or matter in the Spanish River together with damages totaling $5,600 was granted by Chief Justice McRuer in the High Court of Ontario. This injunction has now been sustained by the Court of Appeal for Ontario, the Supreme Court of Canada and the Privy Council.

The principle of law involved is an old one, common throughout Canada and the United States, The Financial Post is told. Anyone who could prove pollution and damages resulting therefrom was entitled to relief.

In Ontario this provision is contained in the Lakes and Rivers Improvement Act. Up to last spring, there was a section in this act which permitted the court or judge to refuse to grant an injunction if it is proved that having regard to all the circumstances and taking into consideration the importance of the operation to the locality in which it operates and the benefit and advantage which the operation conferred on the locality and the inhabitants of the locality and weighing the same against the private injury or damage or interference complained of, it is, on the whole, proper and expedient not to grant the injunction. The judge might also grant an injunction to take effect after a certain period of time or in lieu of granting an injunction direct that the owner or occupant of the operation take such measures to prevent, avoid, lessen or diminish the injury or damage complained of. Formerly this section applied to saw mills only, but last spring the Ontario Legislature extended it to apply to pulp mills and pulp and paper mills.

Supreme Court Decision

As this section was extended after the decision against the company, the Supreme Court of Canada held that it would not enable it to give a judgment that was impossible in law at the time of decision of the court.

The only logical way for the company to obtain relief now will be through action of the Ontario Legislature to make this legislation applicable to this specific case, it is believed Only other way would be for the individuals involved to agree to the withdrawal of the injunction.

Questioned regarding the pollution, a company official stated: "It is impossible to operate a kraft paper plant without altering the nature of the water which is used." He stated that, through trying to get a more efficient operation, the company has succeeded in reducing the waste to less than 50% what it was a year ago, so that the degree of pollution is less now than then and that the wastage was very low in relation to other mills before that date. However, he points out that it is impossible to use water in any way without polluting it.

Plan To Grade Attractions Of Ontario Tourist Resorts

Tourist resort operators in Ontario are working on a plan under which they would grade their establishments according to service offered, and would use the result in promotional efforts.

At present, the Ontario Government has an inspection system under which provincial inspectors and municipal licensing officials can guarantee that tourist-catering establishments meet a prescribed minimum standard. Above this standard, there is no provision for "grading." Furthermore, the Ontario Government does not publish its results in a manner which would enable the individual operator to use them in attracting guests.

The supplementary system — as proposed this week at the annual convention of Tourist Resorts of Ontario — would provide grading through a scoring system which would allow so many points for plant and equipment, so many for entertainment facilities, so many for management, etc. It would also provide the operator with a "T.R.O." shield or crest which he can erect outside his establishment, and use on his stationery.

Public attention would be drawn to the significance of the grading and the T.R.O. shield. A 9 x 4 inch booklet, listing the graded establishments, would be published, with an initial distribution of 25,000 copies. Later, other forms of advertising and promotion may be employed to gain recognition of the T.R.O. shield as "the hallmark of service."

George A. Martin, Muskoka resort operator and president of the Canadian Tourist Association, asked convention members to sign a form which, without committing themselves to any expense or without approving the plan in its final form, authorized a committee to explore the idea further. Next step will be a questionnaire to the signatories, seeking detailed information about the standard of service offered. This would be followed by personal inspection of the camps by executive members. By the time Tourist Resorts of Ontario holds its next annual convention, the committee would submit for approval a detailed plan showing the basis of scoring, etc.

D. Leo Dolan, chief of the Dominion Government Travel Bureau, predicted that, if resorts fight for business among a more "choosy" U. S. clientele, 1950 should be as active a tourist year as record-breaking 1949.

Chief sources of optimism are the steady rise in automobile ownership in the U. S. (between 85% and 90% of U. S. visitors come in "on rubber"); and the firmly-established trend toward vacations with pay.

Offsetting factors are the well-publicized trek to Rome for the Holy Year observances; the urging of the U. S. Government that Americans spend their travel dollars in countries receiving Marshall Plan aid; and the growing promotion of U. S. resort operators urging Americans to holiday at home.

To meet this competition, the Canadian Government Travel Bureau will spend $1 million next year in the biggest advertising program in its history. Included will be participation in six sportsman's and travel "shows"; insertions in 34 magazines, and 64 newspapers. The Bureau's advertising will use more color than ever before.

May Issue License to Alcan For North B. C. Power Project

From Our Own Correspondent

VANCOUVER—British Columbia's comptroller of water rights, Maj. R. C. Farrow, has announced that he is "prepared" to issue a license to Aluminum Co. of Canada for power development of the Nechako-Nanika River systems in northern B.C.

Formal issue of the license may take place some time this year, as objectors have one month in which to lodge an appeal. The Farrow announcement, however, overrules objections made by fisheries interests at public hearing during October.

But it recognizes claims of the fisheries industries by requiring Alcan to supply the federal fisheries department and the B. C. Game Commission with plans and specifications of the proposed works, which must also be subject to Farrow's approval.

No action was taken on the aluminum firm's application for water rights on the controversial Chilco system, one of the province's principal sockeye salmon areas. The more northerly site is not regarded as a salmon area because of difficult approaches. Potential of the lakes involved if fishways were provided has not been discussed.

Major Farrow said it may be two years before Alcan is able to complete its surveys and that it would obviously be unfair to require the company to spend large sums of money without any assurance it would be granted a license.

ABOUT YOUR TAXES By STUART THOM, LL.B.

Annuitant Finds Law Makes Income Tax-Free

In the case of Mrs. B. vs. The Minister, recently decided by the Tax Appeal Board, the taxpayer claimed an exception and an exemption and succeeded in reducing her taxable income to nil —something it is doubtful Parliament intended to allow. But as Mr. Commissioner Fisher in his judgment said: ". . . the appellant is entitled to rely upon the express terms of the legislation; (she) reaps the benefit of her astuteness and careful reading of the Act."

The facts were that in 1933 Mrs. B. purchased a Dominion Government Annuity producing an annual income of $1,200 and two like contracts from insurance companies each for $600 annually. By successive provisions of the Income War Tax Act these annuities were regarded as income, which under Sec. 5(1)(k) of the old Act was subject to an exemption of $1,200. In 1945, Parliament gave effect to recommendations of the Ives Commission with regard to taxing annuities and by an amendment to Sec. 3(1)(b) removed the capital element of annuities from category of taxable income.

By reason of this exception, Mrs. B's income was reduced from $2,400 to $1,099.47. Parliament, not having dealt with the $1,200 exemption under Sec. 5(1)(k), Mrs. B. claimed it, and the Board upheld her right to do so. Mr. Fisher remarked that "Parliament may have overlooked the provisions of Sec. 5(1)(k) when it enacted the new Sec. 3(1)(b)" and added: "If it did . . . I have no doubt the matter will be remedied very quickly at the next session." It may be noted that under the new Act, the $1,200 exemption is deducted from such income (Sec. 71) before computing and deducting the capital element. (Sec. 11(1)(i).)

Incidentally, this is the second decision of the Board disguising the taxpayer's name, the first having been the case of Mr. and Mrs. A. Is it by coincidence or design that the letters A and B designate the appellants?

* * *

Valuation of Stock As Basis for Gift Tax

The judgment of the Tax Appeal Board in the appeal of the executors of Norman Kay MacDonald, deceased, from an assessment for gift tax turns on the proper interpretation of Sec. 88(7) of the Income War Tax Act.

Deceased during his lifetime transferred his holdings of preferred and common shares of his business to a trustee in trust for the benefit of individuals who became the directors of the company. The essence of the agreement was that upon the company having redeemed a portion of the preferred stock over a period of years, the trustee would transfer the remaining preferred shares and the common shares to the beneficiaries of trust.

The Minister took the stand there had been a "transfer of property on basis of a quid pro quo" and because of the disproportion in values, there had been a gift by MacDonald. Tax was imposed on the difference between the present value of the payments which were to be made to MacDonald over the period of years and the value at the date of the transaction of the preferred shares assigned by him to the trustee. Upon the appeal being taken, the Department agreed to modify its valuation of the shares, but otherwise stood its ground. The Board upheld the assessment. It was held that notwithstanding the intervention of a trustee, there had been a transfer of property. The judgment also includes some valuable comment upon the question of valuing shares of a closely held company.

* * *

Vehicle Sold at Loss In Same Year as Bought

In a third case recently decided —McLaughlin vs. The Minister, the appellant conducted an undertaking business. In 1946 he bought a hearse and later in the same year sold it at a loss. He claimed the loss as a deduction from income for the year. It was disallowed by the Department as being a capital loss.

The reason for the taxpayer's claim can be traced to the Schedule of Rates of Depreciation published by the Department. With regard to automobiles owned by companies and being in industrial or commercial pursuits, it was provided: "When vehicle finally sold, the gain or loss as against the existing depreciated value must be taken into the profit and loss account for the year when sale is made." The appellant attempted to refer to "departmental practice," but the Board would not listen. The simple but complete answer was that the provisions of the Act, in this case, Sec. 6(1)(b), not departmental practice must govern. Having regard to the fact that the asset in question was never brought in for depreciation, having been bought and sold in the same year, it seems fair to say that the informal statement of Departmental policy was not really applicable.

A related question is whether the Department can legally "recapture" depreciation previously allowed, by the device of attaching a condition to the allowance. Current thinking, to judge by the 1949 amendments to the Income Tax Act, is apparently that specific legislation is necessary.

Empire Stove Is Bought By 3 Moffats

Empire Stove & Furnace Co., Owen Sound, Ont., has been purchased by James M., Bryce F. and Charles L. Moffat, it is announced. Purchase price was not disclosed.

The new owners were formerly active in Moffats, Ltd., Weston, Ont., prior to sale of their minority interest in that company. (Sale of their holdings of about 43% of Moffats, Ltd. stock at a price of around $750,000 cash to a holding company formed by the remaining interest was announced in February, 1949.) J. M. and B. F. Moffat are brothers and C. L. Moffat is a cousin. They are all grandsons of the founder of Moffats Ltd.

Empire Stove & Furnace Co. is a modern sheet steel and enameling plant formerly owned by J. W., R. H. & V. M. Christie. It manufactures coal, wood, combination ranges, gas and electric ranges, warm air heaters and furnaces and distributes from coast to coast. Its 90,000 sq. ft. steel-constructed plant, situated on Georgian Bay, comprises four acres. Most of it was built since 1944, it is stated.

In addition to the present lines, the new owners announced that immediate production of a revolutionary new line of gas and electric cooking equipment will be started. Such a line will expand Canada's list of manufactured steel products since no Canadian firm is presently making a complete line of gas commercial cooking equipment, C. L. Moffat states. He would not elaborate on his original announcement at this time.

J. M. Moffat will be president of the Owen Sound company and will take over production responsibilities. Bryce F. Moffat will be chairman of the board and will be responsible for design and engineering. Charles L. Moffat will be vice-president and general manager.

No change in personnel, now numbering about 150 is anticipated at the Empire Stove & Furnace Co.

The company has been established for over 50 years. It has branch offices in Edmonton, Alta., and Winnipeg, Man. The Owen Sound plant includes an up-to-date turn-cupola foundry, pattern shop, modern porcelain enameling plant, sheet steel department equipped with precision cutting and stamping presses, range assembly department, complete warehousing facilities and general offices.

COMPANY REPORTS

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

MONTREAL TELEGRAPH CO. 1949 net profit was up narrowly from previous year at $105,664 ($101,580). Company's property was valued at $2,151,824 when taken over in 1881 by The Great North Western Telegraph Co. of Canada (Canadian Government took over control of The Great North Western Telegraph Co. Jan. 2, 1921). Agreement on company's property is for a period of 97 years from July 1, 1881, to 1978, leaving over 28 years before its expiry.

Outstanding corporation taxes assessed against the company by the Province of Quebec since 1932 have now been completely settled by a payment out of contingency account and contingent reserve for taxes, of $83,617.50, including interest. Also upon advice of counsel, legal proceedings are now being instituted against The Great North Western Telegraph Co. and its operating successor for the recovery of these taxes under terms of the agreement.

INCOME ACCOUNT

Years Ended Dec. 31:	1949	1948
Net earnings	$163,473	$164,580
Less: Inc. tax	55,611	48,510
Other taxes	2,198	14,490
Net profit	105,664	101,580
Less: Dividends	100,000	97,000
Surplus for year	5,664	4,580
Earnings per Share and Dividend Record:		
Common	$2.11	$2.03
Paid	*2.00	*1.92

*Net payment after deducting corporate income tax.

CONDENSED BALANCE SHEET

As at Dec. 31:	1949	1948
Cash	$2,863	$53,405
Invests.	71,912	83,642
Accrued rev.	41,750	41,970
Fixed assets	2,152,824	2,152,824
Total assets	2,269,351	2,331,841
Total curr. liabs.	56,621	85,787
Tax reserve	†	30,024
Conting. fund	†	84,206
Capital stock	2,000,000	2,000,000
Excess of prop. val. over cap. stk.	151,824	115,824
Surplus	‡160,906	......

†Transferred to surplus.
‡After deducting $83,618 prior years' taxes.

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Thinking of Income Tax?

Are you beginning to think of making up your 1949 Income Tax Return? Have you a record of what dividends were paid on your stocks in 1949?

In preparing your Income Tax Return you will find the DIVIDEND RECORD most useful. It contains a cumulative record of dividends paid and declared by Canadian companies during 1949 and tells you at a glance what payments were made on your stocks in the past year.

Send for the DIVIDEND RECORD; we will be glad to mail you a copy.

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CONTINENTAL LIFE

The Continental Life Insurance Company in reporting upon its business for 1949, announces the results of the year's operations to have been highly gratifying and the financial position of the Company on December 31, 1949, the strongest in its history.

Highlights from the 1949 Report
Marking Another Year of Progress

BUSINESS IN FORCE $103,271,926
Increase for year . . . $7,767,144
TOTAL ASSETS . . . . $ 20,600,078
Increase for year . . . $1,625,101
POLICY AND ANNUITY RESERVES $ 17,501,791
Increase for year . . . $1,420,314
PAID TO POLICYHOLDERS or to dependents of those who died . . . $ 1,245,949
Increase for year . . . $163,911

The Continental Life Insurance Company has always taken pride in the calibre and extent of its services to policyholders and beneficiaries. With continuing advancement in the matter of selection and training of its field representatives the agency force will further merit the esteem of those to whom their services are offered or given.

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Head Office TORONTO
Walter F. Smith, Vice-President
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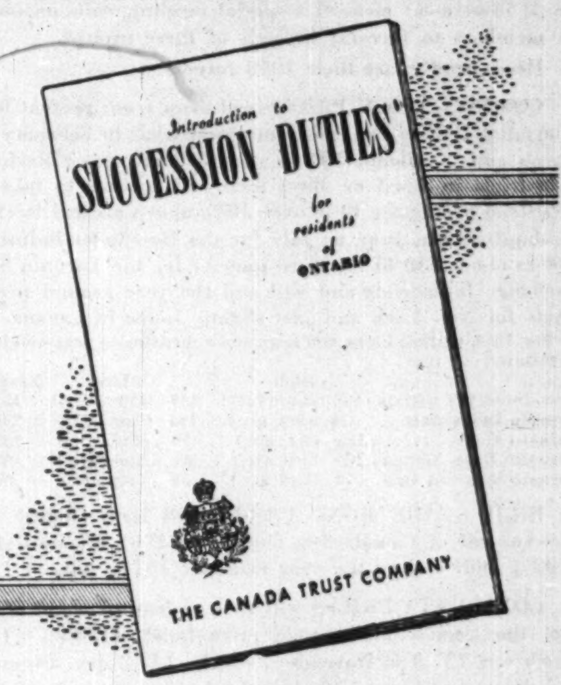
The A-B-C of SUCCESSION DUTIES



IN this booklet we have made every effort to simplify a complex subject. There are no confusing rates or methods of calculation included. Instead, you will find a simple, clear-cut table which requires no figuring. It shows you what succession duties might be on your estate.

Of special interest is the chapter "How can succession duties be kept to a minimum?"

Call or write for this free booklet.

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Leverage Fund of Canada Is New Investment Medium

MONTREAL (Staff) — Shares of a new type of mutual investment fund Leverage Fund of Canada Ltd., will be offered next week by Investment Distributors Ltd. It will be the first mutual fund in Canada which has powers under its charter to borrow money for investment.

Like other mutual funds, Leverage Fund provides a means of gathering together the capital of a large number of investors, providing management and diversification of the combined funds. Shares are redeemable at any time at their net asset value.

Leverage Fund is to be patterned after Affiliated Fund Inc. of New York, said to be the world's largest open-end leverage fund with assets of over $100 millions. Through an arrangement with Lord, Abbett & Co., managers of Affiliated Fund, directors of Leverage Fund are kept advised immediately of any changes in the borrowings of the American company.

Can Borrow Money

Under its charter, Leverage Fund may borrow money for investment up to one-third of the assets. Offering prospectus points out that because the money borrowed can be invested at rates of income higher than the rate of interest on the borrowings, the fund is enabled to obtain "income leverage," and accentuate the upward price movement of the common shares.

This works both ways, of course, unless on the downward movements the borrowings are reduced or eliminated. The fund's information on the changes in borrowings of Affiliated Fund is expected to be of value in this regard, prospectus states.

Investment policy is to invest primarily in income-producing Canadian securities with limited holdings in U.S. securities, except where essential industrial diversification cannot be obtained otherwise, according to the prospectus.

Operation Restrictions

Among its charter restrictions are:

(1) No buying on margin. (Initially, loans obtained will be much like the margin system through endorsation of securities registered in the fund's name when collateral is required, for call loans, a company official told The Post. As the fund builds up, it's expected that debentures may be issued with securities pledged as collateral, and eventually unsecured debenture notes may be issued as Affiliated Fund now does).

(2) No short-selling.

(3) Outside of Canadian and U.S. Government and Provincial Government (or government-guaranteed) issues, no securities may be purchased unless approved for investment by the board (by at least 75% of all directors if any director has an interest as underwriter in any security).

(4) No purchases to be made of securities of companies less than three years in operation, unlisted securities, securities outstanding less than one year (except rights), recapitalizations and other corporate reorganizations.

(5) No more than 5% of fund's assets in one company or shall it hold more than 10% of all securities or voting securities of any one company.

Fund Capitalization

Capitalization consists of an authorized five million $1 par common shares and 100 $1 par deferred shares, of which 39,700 common shares had been issued at Nov. 21, 1949. These were sold for $114,161 (after $9,750 commission) of which $39,700 was credited to capital stock and the remainder to paid-in surplus — capital section.

Of moneys received for each common share, $1 shall be credited to capital, and that part of the excess equal to the per share amount of undistributed income on hand shall be credited to paid-in surplus — revenue section. The remainder goes to paid-in surplus — capital section. Paid-in surplus — capital section is available for repurchase of common shares but not for payment of dividends.

Directors are: J. C. Rogers, Montreal, president; W. H. Griffiths, Crestwood, N.Y., vice-president; J. C. Brown, Montreal, secretary-treasurer; F. J. Brennan, Saint John; C. I. Hall, Vancouver; R. W. Robertson, London, Ont.; Arthur Lageaux, Quebec City; J. S. Lightcap, Winnipeg; D. W. Partridge, D. K. Porteous, W. H. Wert, Montreal.

Following is a list of securities approved for investment of its funds currently:

APPROVED LIST OF INVESTMENTS*

Agricultural Implements
- Cockshutt Plow Co., Ltd.
- Massey-Harris Co. Ltd.

Automotive
- Chrysler Corporation
- Firestone Tire and Rubber Company
- Ford Motor Co. of Canada, Ltd.
- General Motors Corporation
- Goodyear Tire & Rubber Co. of Canada

Banking & Finance
- Bank of Montreal
- Bank of Nova Scotia
- Bank of Toronto
- Banque Canadienne National
- Canadian Bank of Commerce
- Imperial Bank of Canada
- Royal Bank of Canada

Base Metals
- Aluminium Ltd.
- Consolidated Mining & Smelting Co. of Canada Ltd., The
- Hudson Bay Mining & Smelting Company, Ltd.
- Mining Corporation of Canada, Ltd.

Construction
- American Radiator & Standard Sanitary Corporation
- Asbestos Corp. Ltd.
- Building Products Ltd.
- Dominion Bridge Co., Ltd.
- Dominion Oilcloth & Linoleum Co. Ltd.
- Ruberoid Company, The

Food
- Canada & Dominion Sugar Company, Ltd.
- Canadian Canners, Ltd.
- Lake of the Woods Milling Co., Ltd.
- Ogilvie Flour Mills Co., Ltd., The
- Weston, George, Ltd.

Gold Mining
- Bralorne Mines, Ltd.
- Dome Mines, Limited
- Kerr-Addison Gold Mines Ltd.
- McIntyre Porcupine Mines Ltd.
- Noranda Mines Limited
- San Antonio Gold Mines Ltd.

Merchandising
- Loblaw Groceterias Co. Ltd.
- Montgomery Ward & Co. Incorporated
- Sears, Roebuck & Company
- Simpsons, Limited
- Western Grocers Ltd.
- Zeller's Ltd.

Office Equipment
- Burroughs Adding Machine Company
- International Business Machines Corp.
- Moore Corporation Ltd.

Petroleum
- Anglo-Canadian Oil Company Ltd.
- British American Oil Company Ltd.
- Calgary & Edmonton Corporation Ltd.
- Canadian Oil Companies Limited
- Home Oil Company, Ltd.
- Imperial Oil Ltd.
- McColl-Frontenac Oil Company Limited
- Phillips Petroleum Company
- Texas Company

Public Utilities
- British Columbia Power Corp. Ltd.
- Brazilian Traction Light & Power Co. Ltd.
- Nova Scotia Light & Power Co. Ltd.
- Shawinigan Water & Power Co., The

Pulp & Paper
- Abitibi Power & Paper Ltd.
- Bathurst Power & Paper Company Ltd.
- Consolidated Paper Corporation Ltd.
- Fraser Companies, Ltd.
- Great Lakes Paper Company Ltd.
- International Paper Company
- Powell River Company Ltd.
- Price Brothers & Company Ltd.
- Howard Smith Paper Mills Ltd.

Steel & Steel Fabricators
- Dominion Foundries & Steel Ltd.
- Dominion Steel & Coal Corporation Ltd.
- General Steel Wares Ltd.
- International Metal Industries Ltd.
- Steel Company of Canada Ltd.
- Westeel Products Ltd.

Textiles
- Canadian Celanese Ltd.
- Dominion Textile Company Ltd.
- Penmans, Limited
- Wabasso Cotton Company Ltd.

Miscellaneous
- Canadian Bronze Co., Ltd.
- Canadian Industries Limited
- Corning Glass Works
- Dominion Glass Co. Ltd.
- Eastman Kodak Company
- National Steel Car Corporation Limited
- Niagara Wire Weaving Company Ltd.
- Russell Industries Ltd.
- Sperry Corporation

*While the foregoing constitute the securities presently approved for investment, it should be pointed out that it may be amended from time to time and that funds may not necessarily be invested in all securities listed, the company states.

COMPANY REPORTS

CARDY CORP. net profit of $991,793 for the year ended June 4, 1949 was 98% higher than the previous year's net of $501,266. An accompanying interim statement shows a net profit of $452,130 for the period from June 4, 1949 to Sept. 24, 1949.

An unprecedented volume of business was transacted during the year, the facilities of the five city hotels, being, on many occasions, strained to the utmost in an effort to meet the demands made for accommodation and services, President Vernon G. Cardy states. The Alpine Inn at Ste. Marguerite in Quebec, in common with all of their Laurentian resorts last winter, suffered from lack of snow in the area with a consequent decline in the patronage of ski enthusiasts, he adds. For the above reason the operations of the Alpine Inn have not been profitable to date and it may not be easy, in view of changing climatic conditions and the highly seasonal character of the business, to put the Inn on a permanently profitable basis, he says.

Expenses, notably for labor, etc. continued to increase.

Cardy Hotels in recent years have brought to Canada many American visitors who, on the average, have spent in its hotels in excess of $1.5 million a year in U.S. currency in addition to probably equal sums in Canadian currency, purchased by guests in the free market in the United States. Much of this business is directly traceable to the methods and efforts employed by the Corporation to secure American organizations to hold their conventions in its hotels and to publicity built up in the United States, Mr. Cardy states.

The company has not to date been assessed for income tax. As regards the five vendor companies, amounts have been claimed for Dominion taxes on which appeals are pending.

INCOME ACCOUNT

Years Ended:	Sept. 24 ‡1949	June 4 1949	June 5 1948
Net earnings	$1,031,024	$2,469,500	$1,296,917
Less: Depreciation	168,125	545,122	485,651
Income tax	320,000	620,000	310,000
Bond int	90,769	312,585	......
Net profit	452,130	991,793	501,266
Less: Cl. A divds.	......	127,364	94,427
Surplus for period	452,130	864,429	406,839
‡Period from June 4 to Sept. 24, 1949.			
Earnings per Share and Dividend Record:			
Class A, after partic.	$1.89	$4.20	$1.95
Paid	......	0.60	0.40
Class B, after partic.	0.17	0.33	0.19
None paid.			

CONDENSED BALANCE SHEET

As at:	Sept. 24 1949	June 4 1949	June 5 1948
Cash	$651,193	$1,057,687	$452,686
Accts. rec., etc.	523,101	331,450	321,322
Life ins., c.s.v.	107,035	94,912	79,324
Inventory	437,245	440,947	549,494
Total curr. assets	1,718,574	1,924,996	1,402,826
Misc. assets‡	364,806	238,476	372,256
Invest. in subs.	209,449	223,353	307,406
Fixed assets*	13,052,069	13,200,030	13,179,478
Total assets	15,344,898	15,586,855	15,261,966
Accts., etc., pay.	818,217	891,024	1,332,844
Taxes pay.	941,368	1,368,355	285,844
Divd. pay.	......	53,068	......
Total curr. liabs.	1,759,585	2,312,447	1,618,688
Conting. res.	......	......	463,110
Funded debt	6,942,528	7,067,528	7,684,810
Capital stock	4,545,460	4,545,460	4,825,700
Capital surplus	64,150	70,573	......
Earned surplus	2,033,175	1,590,847	669,638
*After depr. of	1,396,046	1,229,921	841,292
‡Incl. ref. EPT	100,090	100,090	144,680
Excess of curr. liabs. over curr. assets	41,011	387,451	215,862

Montreal Tramways to Spend $2 Millions on More Buses

MONTREAL (Staff) — Montreal Tramways will spend $2 millions this year for 40 new trolley buses and 50 motor buses, company announces.

The trolley buses will be used to replace streetcars on route No. 95 which serves Jean Talon, Belanger, Iberville and Frontenac streets. Some of the new motor buses will replace street cars on route No. 84. The remainder will replace units due to be retired or provide additional service on other lines.

Conversion of the Frontenac route to trolley buses isn't expected to be complete before the fall, but the autobuses are due to be delivered in the spring. The new trolley bus route an extension of a network converted to trolley buses last year, will permit movement of buses from the new route to the others if necessary.

In its litigation with the City of Montreal concerning the city's claim for $4.5 millions in arrears on payments for use of the streets, the company last week failed in its contention in Superior Court that the Montreal Tramways Commission, not the Superior Court, had jurisdiction in the matter. Mr. Justice A. I. Smith in his judgment held that although the tramways commission had control over administration on the transportation system, it had no say in determining the rights of the parties under the contract between the city and the company.

The city claims that the company owes it money for years in the 1934-47 period in which the annual $500,000 bill for use of city streets wasn't paid. Company contends that the payment is due only in years in which it is earned. It says that under the contract operating expenses and taxes, special maintenance fund and stated return on the capital value and working capital must be met before the city gets paid.

As a result of last week's judgment, the case will in due course come before the court, unless the company appeals Mr. Justice Smith's decision before the Court of King's Bench. Whether such an appeal will be made hasn't been decided yet, The Post is told.

Group Life Insurance Rises 80% Since War

Group insurance in force in Canada at the end of 1949 totaled over $1.9 billion, a gain of more than $100 million over 1948, R. W. Warwick superintendent of insurance for Canada estimates. This total is about three times the 1939 figure, and almost 80% more than at the end of the war in 1945.

At the end of 1948, group in force with federal licensed companies totaled $1,813,736,410 on 1,775,420 lives, an average of $1,021. Assuming that the average coverage was the same in 1949, there would be about 1,860,920 individuals covered by group plans at the end of 1949, an increase of about 85,000 lives.

These group plans have been set up voluntarily by employers to insure their employees. The number of persons insured has expanded at a slightly faster rate than the total volume of insurance in force. Thus at the end of 1945, the number of workers owning life insurance was 950,000, the approximate 1.8 million covered on Dec. 31, 1949, being about 95% more.

The steady growth in group life insurance reflects the increasing desire of employers to help employees provide security for themselves and their dependents. Its importance in making a job attractive is indicated by the enquiry frequently made by employees about to change jobs as to whether group insurance will be available.

In some cases the amount of insurance available is graded according to the length of service of the employee with the firm, in others according to the employee's salary bracket.

At the end of 1948 there were 7,056 master policies in force with federal licensed companies. On Dec. 31 there were probably more than 8,000 master contracts in force.

Advantages of the group life insurance policy are: Its net cost is very low, no medical examination is required, the premium being set on condition that a whole group of a minimum set number take the insurance. Disadvantages are that there is normally no cash value, and the insurance protection lapses when the employee leaves the firm, although in some cases, provision is made for the employee if he remains some time with the company to get a paid-up policy or to get a certain amount of cash value refunded.

Normally while group insurance is written on employees of a common employer, it can be written by any group held together by some bond of common association, sometimes in fact even to people living on the same street.

Here's how the figures since 1939 compare.

	1949†	1945	1939
	$ 000		
Ins. in force	1,900,000	1,063,805	686,987
Ins. effected	185,000	58,306	28,582
No. of lives insured	1,806,920	943,290	557,631
No. of policies in force	8,000	4,589	2,680

†Figures estimated.

Bowater's Sulphite Mill Closed, Producers Hopeful

MONTREAL (Staff) — Unfavorable pulp markets have forced the closing down of the sulphite mill of Bowater's Newfoundland Pulp & Paper Mills Ltd. at Corner Brook.

How long the mill (55,000-ton annual capacity), will remain shut down depends mostly on what happens to pulp prices, a company official told The Post this week. In the latter part of the summer, the company warned that dollar difficulties had practically wiped out the United Kingdom market for its unbleached sulphite production, and that a $25-per-ton drop in prices had added to the company's difficulties. When the situation didn't improve, it was decided last month to close down the sulphite operation.

The shut-down isn't expected to have any great effect on company's earnings, The Post is told. Newsprint operations are going along at full capacity of 300,000 tons annually, and the market for newsprint has been holding up well. Company recently negotiated a new wage agreement for its woods operations at a slightly lower rate.

Possible bright spot for Bowater's and other Canadian sulphite producers looking for business in the U. K. is seen in pulp circles here. They say that U. K. is likely to buy 37,500 tons of unbleached sulphite in the last nine months of 1950 from the dollar area with ECA funds.

ECA authorities will probably insist that any offer Britain makes should be made available for competition in both the United States and Canada. But it's thought that Canadian producers should be in a good spot competitively to get the order. The fact that U. K. is looking for sulphite here is regarded as an indication that despite somewhat lower prices, Scandinavian producers aren't able to supply complete sterling area needs.

Man. Pwr. Comm. Dec. Use Up 36.5%

Manitoba Power Commission purchased and generated power totaling 21,456,236 kw.h. during December, 36.51% over the same month in 1948, General Manager W. D. Fallis states. Compared to 1948, every month during 1949 showed a substantial increase in power consumption in Manitoba.

In December hydro service was made available to more than 1,300 new customers in Manitoba.

Service in the Carberry-Neepawa area has been improved with the completion of a new 66,000 volt tie line between these points. At Steinbach, where power consumption has more than doubled since the war, a 33,000 volt line has been erected from Niverville to meet the increased load, replacing the former 12,000 volt line. In addition, a new substation has been built at Steinbach and the capacity of the Niverville substation has been increased.

E. Elliot Trent Heads Toronto Underwriters

E. Elliot Trent, C.L.U. of the Crown Life Insurance Co. has been elected chairman of the Toronto Chapter of the Institute of Chartered Life Underwriters of Canada. He succeeds Neville H. Evely of the Prudential Assurance Co. of London, Eng.

Also elected were vice-chairman, Mort. L. Levy, of Imperial Life; secretary, Howard J. Crofts, London Life; treasurer, Harold Mills, Monarch Life; and to the executive Leonard W. Sumner, Mutual Life, and J. D. McInnis, Metropolitan Life.

Czechs Deny Shoe Dumping

Speaking for the Czech Legation in Montreal, Dr. Miroslov Mares denied that Czech shoes are being dumped in Canada. He told The Financial Post:

Czech imports for the first 10 months 1949 amounted to only 3% of total imports and only 1/10 of 1% of the entire Canadian production of 30 million pairs.

Czechoslovakia exports only playshoes to Canada at an average wholesale price of $1.55.

Czech purchases exceed sales. One firm bought $550,000 worth of hides and rubber in Canada but sold only $112,000 worth of shoes.

"Certainly," says Dr. Mares, "no dumping or underselling is intended or practised. The intention is merely to sell attractive merchandise at acceptable world prices . . . It might also be well, to remember that Czechoslovakia is a signatory to the Geneva Trade and Tariff Agreement which encourages trade between all countries. Thus, in the interests of mutually advantageous trade relations, we hope this year to buy more merchandise in Canada, and to sell approximately 100,000 pairs of shoes."

Will Ottawa Prosecute Western Baking Industry?

OTTAWA (Staff)—Strong objections are being raised here by the National Council of the Baking Industry to the possibility that bakers in Western Canada may shortly face prosecution by the Government for alleged combine operations in the war period.

It is claimed that if this is done, the western bakers will be the only group so treated; that in every other instance the Government has withdrawn or failed to prosecute for alleged misdeeds in the wartime period.

The Combines report on the western baking industry is dated November, 1948. The last offense charged in this report is cited as of February 16, 1948. Thus, unless the Government lays a charge within the next few weeks it runs the risk of going past the two-year limitation.

Five Alleged Combines

Since wartime decontrol there have been five reports alleging conspiracy under the Combines Act: dental supplies, optical goods, western bakers, flour millers, flat glass and matches.

The dental case was dropped because of a court challenger concerning the inadmissibility of evidence.

The optical prosecution was not pressed because of a private lawsuit and the belief that publication of the report had in effect eliminated the alleged malpractice. There was also the difficulty that all combine prosecutions were under a cloud by reason of the dental supply case.

The flour milling report brought expert testimony from Donald Gordon, C. D. Howe and others as to the special dispensation given Canadian business in the war years. The Government is not expected to attempt to prosecute this case which ended in violent cabinet disagreement and resignation of Combines Commissioner Fred A. McGregor.

In the match and flat glass reports issued just recently both reports omit any reference to the war years in so far as domestic operations are concerned. In the glass report there are wartime documents covering operations of the alleged international cartel. But both reports are almost completely silent about what these industries did or did not do from 1939 to 1945.

It is understood that these chapters were omitted at the request of Justice Minister Garson.

That leaves the western flour millers as the sole group now liable to prosecution and where the wartime operations are a major factor in the Government's case.

Basis of Case

The western baking report was made to the Government by Carl Goldenberg of Montreal. It bases its case on activities which start in 1935 but which are heavily documented for the war years.

It's now contended that the Government, to be consistent, should rub out, in its charges against the western bakers, any reference to the war years. Any other course, it's argued, would be both inconsistent and quite contrary to the Government's own admission of what happened in those days.

For example, in Hansard, Nov. 7, Trade Minister C. D. Howe quoted verbatim from a memorandum received from Donald Gordon. The memo was sent following the dispute over the flour milling case. It states:

"With the full knowledge of the Minister of Finance and of Mr. McGregor, I gave as chairman of the WPTB, orally and in writing, personal and repeated assurances that anything done in furtherance of the substance of the policy and administrative practices of the WPTB would be held privileged.

"Such assurances were necessary to secure the active and willing co-operation which made the work of the Board possible.

"The winning of the war justified any departure from the normal, and in any event the public interest was protected by the fact that WPTB was in operation. Mr. McGregor, at his own request, acted as enforcement office administrator for WPTB in the war period."

The Government's answer to the contentions of the bakers has been to the effect that in the case of the flour millers there was an important factor of profit control which did not exist in the case of the bakers.

Nevertheless, it seems clear that the Government is in considerable dilemma: whether to weaken its case by eliminating the wartime record of the western bakers entirely or run the risk of having the courts throw out the whole period for the reasons already stated.

$100,000 Order Placed By Cdn. Knitting Firm

In line with a modernization program The Chipman, Holton Knitting Co., Hamilton, has placed orders for 60 knitting machines costing $100,000 in Leicester, Eng.

The firm formerly bought most of its machines in the U. S. but now gets them all in Britain. "The quality is better and delivery is speeding up," Vice-President and General Manager Gays G. Beamish states.

Canadian knitting firms, whether important exporters or not, are all feeling the effect of increasingly competitive conditions. Sharp curtailment in export market has channeled more goods to the domestic market, Mr. Beamish said.

Conservation means constant
VIGILANCE

No individual or organization can control the tides of economic social and political forces which may profoundly affect investment values. A considerable degree of protection, however, can be had by constant watchfulness.

Investors often are too busy or lack facilities to maintain unbiased research and analysis. It is not surprising, therefore, that many individuals, societies, trusts and corporations ask us to keep watch over their securities.

You are invited to consult with us in confidence without obligation.

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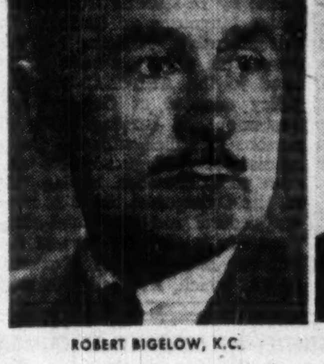
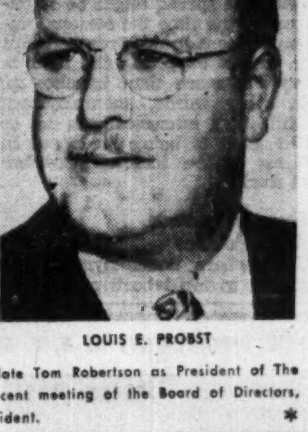


ROBERT BIGELOW, K.C.



LOUIS E. PROBST

Robert Bigelow, K.C., who succeeds the late Tom Robertson as President of The Independent Order of Foresters. At a recent meeting of the Board of Directors, Louis E. Probst was elected First Vice-President.

*

NEW ISSUE

WE, AS PRINCIPALS, OFFER—

$8,700,000

PROVINCE OF MANITOBA

3% NON-CALLABLE DEBENTURES

DATED FEBRUARY 15, 1950 TO MATURE FEBRUARY 15, 1967.

PRINCIPAL AND HALF-YEARLY INTEREST (FEBRUARY 15 AND AUGUST 15) PAYABLE IN LAWFUL MONEY OF CANADA IN THE CITIES OF TORONTO, MONTREAL, VANCOUVER, REGINA, WINNIPEG, OR SAINT JOHN AT HOLDER'S OPTION. COUPON DEBENTURES IN DENOMINATIONS OF $1,000 AND $500 WITH PROVISION FOR REGISTRATION AS TO PRINCIPAL.

A SINKING FUND WILL BE ESTABLISHED WITH RESPECT TO THIS ISSUE AT 2% PER ANNUM OF THE PRINCIPAL AMOUNT.

LEGAL OPINION: MESSRS. DALY, THISTLE, JUDSON & McTAGGART.

IN THE OPINION OF COUNSEL, THESE DEBENTURES WILL BE A DIRECT OBLIGATION OF THE PROVINCE OF MANITOBA AND THE PRINCIPAL AND INTEREST WILL BE PAYABLE OUT OF THE CONSOLIDATED FUND OF THE PROVINCE.

IN ADDITION TO THE ABOVE ISSUE, WE HAVE PURCHASED AND PLACED PRIVATELY $2,300,000 PROVINCE OF MANITOBA 2¾% DEBENTURES, TO MATURE FEBRUARY 15, 1951 TO 1960 INCLUSIVE, $230,000 DUE EACH YEAR.

THESE DEBENTURES ARE BEING ISSUED FOR THE PURPOSE OF REFUNDING TREASURY BILLS IN THE AMOUNT OF ELEVEN MILLION DOLLARS OUTSTANDING FOR THE FOLLOWING PURPOSES: ADVANCES TO MANITOBA POWER COMMISSION $3,330,000; ADVANCES TO MANITOBA TELEPHONE COMMISSION $3,000,000; PINE FALLS HYDRO ELECTRIC POWER PLANT $2,370,000, AND PROVINCIAL ROADS AND BUILDINGS $2,300,000.

DESCRIPTIVE CIRCULAR, INCLUDING FINANCIAL STATEMENT, FURNISHED UPON REQUEST.

PRICE: 99.25 AND ACCRUED INTEREST, TO YIELD ABOUT 3.06%.

IT IS EXPECTED THAT DEBENTURES IN INTERIM FORM WILL BE AVAILABLE FOR DELIVERY ON OR ABOUT FEBRUARY 15, 1950.

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ROYAL SECURITIES CORPORATION LIMITED
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NESBITT, THOMSON & COMPANY, LIMITED

LABOR ROUNDUP

Jobless Insurance Fund Growing: $200 Millions Bigger During 1949

By RONALD WILLIAMS

If the economic weather were to really turn bad, how long would the umbrella of Unemployment Insurance last?

Some time ago Ottawa guessed at two years. This week some government experts were ready to change their minds. Despite increasing unemployment talk, the rainy-day protection had never looked stronger in its eight year history.

Since the end of the 1948-49 fiscal year ending March 31, the fund has grown by leaps and bounds from $529.5 millions to a whopping $788.6 millions (at Nov. 30).

Even those who administer the Fund were surprised. The $249 million increase in eight months topped by a wide margin the best 12-month increase in the fund's history—1948-49 when it advanced $131.6 millions.

"Now," an official told The Post, "the people who are raising all this hullabaloo will see the point we have been trying to make: sure unemployment is up but not so much in terms of the total number working. This huge increase in the Unemployment Insurance fund is the evidence."

Despite higher unemployment claims, it is expected the fund will continue to increase because of the bigger working force. But whether the huge wartime and postwar spread between what's paid in and what's paid out is maintained is something else. So far there's been no comparison.

Here's the record 1945-1948.

	Millions of dollars	
	Paid In	Paid Out
1944-45	$82.2	$5.0
1945-46	81.2	32.0
1946-47	98.6	43.1
1947-48	109.8	39.9
1948-49	131.6	49.8
1949-50 (8 mos.)	249.0	39.6(est.)

Up to the end of Nov. at least, the gap got wider and wider, despite the fact that Oct. and Nov. claims were almost double 1948. The spread might be stabilized by the time the seasonal unemployment peak is reached. But no one is expecting the fund to pay out more than it takes in. In other words, unemployment while high numerically is not as bad as it is being made out in terms of the increased number at work.

* * *

Unemployment And Politics

Elsewhere, unemployment continued to top labor's agenda. In Toronto it was the main theme at the annual convention of the Ontario Federation of Labor. This is the Ontario wing of the AFL-TLC and represents 200,000.

The 435 delegates demanded federal and provincial public works programs at union rates. The clamor was led by Communist and Communist sympathizers in line with the current Red campaign to stampede labor into hysterics over what unemployment there is.

One voice of warning was that of Joe Barry, of Toronto, anti-Communist official of the AFL Chemical Workers. He cautioned against overstressing the unemployment situation and developing a depression psychology.

"If we don't have faith in this country then the trade unions are in a sorry state," he said.

Barry and Fur Workers' delegate Joe Neslin of Toronto also objected to another Communist declaration that part of the blame was due to letting in Displaced Persons.

The Communists appealed to the convention with their old vitriolic line: "Are cops and clubs going to solve the problem?" asked Sam LaPedes, United Garment Workers, referring to the arrest in Toronto of leaders of what has been branded a Communist-inspired Union of Unemployed.

Val Bjarnason, Ontario director of the Communist-run AFL Textile Union, asked the convention to believe that employers were deliberately laying off workers in some industries to create a pool of unemployed and thus drive down wages. He also got in a plug for the party line on trading with Soviet Russia and her satellites.

In effect, the convention endorsed these Sovietized sentiments by re-electing Communist Bruce Magnuson of Sudbury to the executive. In doing so, the convention gave the back of its hand to the AFL-TLC and the policy adopted at Calgary last September of barring office to persons identified with the Communist party. Magnuson is a veteran party member, having run on the Communist ticket in several federal and provincial elections. He is also the boss of the Lumber and Sawmill Workers' Union, which, ironically, is part of the ultra-conservative AFL Carpenters' Brotherhood.

* * *

What Do U. K. Workers Get?

How do wages in Britain compare with Canada and the United States? Even when adjusted to take care of lower U.K. living cost, the American worker gets almost twice as much; the Canadian about 1½ times as much. U.K. steelworkers, for example, get about $22 for a 48-hour week; $36 when adjusted to allow for lower costs; $60.37 for a 37 hour week in the U.S., and $50 in Canada for a 44-hour week.

U.K. building construction workers average $17.65 in actual wages. When adjusted to make up for difference in prices, this works out to $29.42 a week against $71.91 for the U.S. worker and $46 in Canada. The following table lists U.K. wages for various trades with adjustments to allow for the difference in cost of living against Canadian and U.S. scales.

	U.K. (Adjusted)*	Canada	U.S.
Coal miners	$40.73	$53.71	$72.98
Dock workers	40.53	46.62	75.20
Printing & Publish.	36.60	47.46	76.35
Steel workers	36.02	47.78	61.36
Railway workers	31.67	58.43	60.37
Truck drivers	30.85	46.00	60.00
Bus drivers	29.95	55.00	64.60
Bldg. construction	29.42	45.96	71.91
Rubber workers	29.05	45.30	60.93
Electrical industry	28.58	48.88	57.89
Road Construction	26.67	36.64	46.40
Textiles	23.25	35.47	42.74
Tobacco	22.07	42.22	37.76

*Source: U. S. News.

* * *

Pensions In Dollars and Cents

Obviously concerned over the high cost of winning pensions and other benefits in terms of wages lost in the recent strike, CIO Steelworker's union has translated the benefits into terms the steelworkers can understand.

"The gains," it is claimed, "are putting a minimum of $500 a year into worker's income; that is, if he wanted the same protection he will get under the new agreements, he would have to put out at least $500 — and then would not have the complete protection he is now guaranteed."

The breakdown was done by Murray Latimer, Washington insurance consultant, who put the union's case over before the President's fact-finding board. He figures it would cost:

$100 through a group plan for a $2,500 life insurance policy with a $1,000 paid up at retirement, plus $26 a week sick benefits and Blue Cross hospital coverage. Individually, it might run into $180.

$340 for $50 a month pensions at 65 with provision for disability retirement before 60. (The $100 pension is made up by government Social Security.)

What's more, the union says, insurance companies will not write policies covering disability between 60 and 65. Furthermore, the estimated annual cost is for a man of 41. For those older, the costs on an individual basis, would be prohibitive. A man aged 64 wanting to retire the next year would have to put up something like $16,000.

"Thus," says the union, "when the steelworker is told that the strike cost him so much in wages, he ought to be aware of the benefit he has gained. (He) is away ahead of the game in actual dollars and cents."

* * *

Unity Is Strength

Canada's bridge and structural firms are now faced with a newly formed tightly-knit union council made up of all the CIO Steelworkers locals in this end of the steel industry.

First firm to come against this "united front" is Hamilton Bridge, whose contract expires next week. Renewal negotiations have been under way for some time.

Other firms affected: Dominion Bridge, Toronto and Montreal; Central Bridge, Trenton and Canadian Bridge, Windsor. As the Council is primarily concerned with the problems of fabricators in plants rather than actual bridge erectors, Dominion Bridge locals in Winnipeg and Vancouver have been left out for the time being.

The council, the brainchild of Union Director C. H. Millard, is headed by Alan Wright, union representative at Hamilton.

The goal is a uniform policy for negotiations in the five eastern plants, similar to that followed in dealing with the basic steel industry.

* * *

Labor Briefs

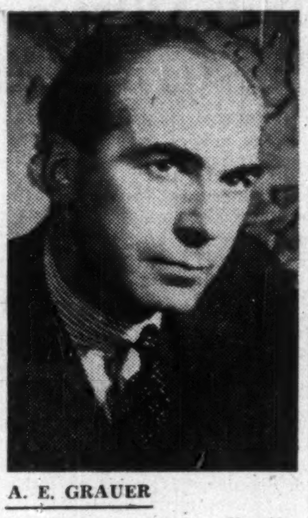
Winnipeg's Canadian Co-operative Implement Co. renewed agreement with CIO Steelworkers, giving 7c-11½c hourly increases, two weeks paid vacation after three years instead of five. Starting rate for beginners now is 80c. At Dominion Bronze, Local 4075 USW, with aid of provincial conciliator got 5c across the board; two more paid statutory holidays (now 6); improved vacation arrangement.

* * *

After seven months of negotiations, CIO Steelworkers and Vancouver's Machinery Depot, Iron Works and Engineering works renewed contract calling for increases of 2c-17c and flat 5c on helpers' rate, bringing it up to $1.20. Tradesmen's rate, $1.45. Vacations and statutory holiday terms also improved. About 200 affected.

* * *

Vote ordered by Ontario Labor Relations Board to determine whether editorial employees of Toronto Telegram want CIO American Newspaper Guild as bargaining agent.

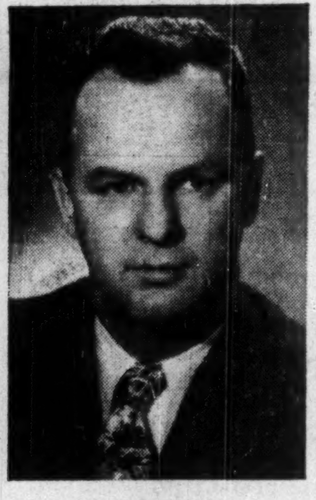


A. E. GRAUER

has been appointed a director of the Royal Bank of Canada. He is president and chairman of the board, B. C. Electric Co.

NEW APPOINTMENTS AT B. F. STURTEVANT COMPANY OF CANADA

MR. O. MOFFAT



MR. K. J. DEWHIRST

Mr. O. Moffat and Mr. K. J. Dewhirst have been appointed Manager of Sales and Manager of the Toronto district, respectively, of the B. F. Sturtevant Company of Canada. The announcement was made by Mr. K. W. Fraser, Canadian Westinghouse Manager of Sales. The B. F. Sturtevant Company is a subsidiary of Westinghouse.✻

COMPANY REPORTS

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

INTERNATIONAL PAINTS (CANADA) LTD. consolidated net profit of $146,737 for the year ended Sept. 30, 1949, is down 26% from the previous year's net of $198,241. During the year, the company, like many others, experienced a drop in sales and this, together with constantly increasing operating costs such as wages, provision for pensions, etc., adversely affected the net profit, Chairman of the Board Frank M. Ross states.

Working capital is unusually high due to the fact that the additional capital secured through a debenture issue, sold privately on Dec. 1, 1948, has not yet been fully employed. Capital expenditures amounted to $131,356 in the year. In addition to commitments of $180,000 as at Sept. 30, a further $100,000 is required for equipment and other miscellaneous items, making an estimated total of $280,000 to be spent in the current fiscal year, Mrs. Ross states. The varnish plant in Montreal is well advanced and is expected to be in operation within the next few months.

Currency devaluations and the uncertainty of export trade has made it difficult to forecast the outlook for the new fiscal year.

Shareholders will be asked to approve a bylaw to reduce the number of directors from 12 to 10.

CONS. INCOME ACCOUNT

Years Ended Sept. 30:	1949	1948
Net earnings	$353,344	$422,308
Less: Deprec.	52,544	41,224
Deb. int.	8,750	......
Deb. disc. & exp.	2,900	......
Inc. tax res.	111,861	146,569
Trans. to gen. res.	25,552	31,274
Dev. exp. prov.	5,000	5,000
Net profit	146,737	198,241
Less: Pref. divd.	50,390	46,191
Surplus for year	96,347	152,050
Earnings per Share and Dividend Record:		
Preferred†	$3.49	$4.72
Preferred‡	2.58	3.31
Paid*	1.20	1.10
Common‡	1.38	2.11
None paid.		

*Includes 60c in 1949, 50c in 1948, in respect of prior year.

†Before (‡after) taking participation into consideration.

CONDENSED CONS. BALANCE SHEET

As at Sept. 30:	1949	1948
Cash	$537,505	$156,124
Life ins., c.v.s.	10,086	9,567
Accts., etc., rec.	533,139	491,724
Inventories	598,369	641,868
Total curr. assets	1,679,099	1,299,283
Misc. assets▲	71,560	120,382
Fixed assets*	713,306	634,494
Total assets	2,463,965	2,054,159
Accts. pay., etc.	252,261	224,398
Taxes pay.	107,573	133,662
Debent. due	30,000	......
Total curr. liab.	389,834	358,060
Reserves	409,619	384,068
Funded debt	270,000	......
Capital stock	840,000	840,000
Earned surplus	554,512	472,031
*After depr. of	609,482	451,157
▲Incl. ref. EPT	43,220	85,602
Working capital	[illegible]	941,223

A sales-manager wants all the help he can get!

Volume Sales

Help Distribution

Support Salesmen

FOR DOWN-TO-EARTH,
SUCCESSFUL, HARD-WORKING ADVERTISING
—THERE'S NOTHING TO TOUCH...

He wants his advertising to work and work hard. He has salesmen to support, volume to maintain; distribution to enlarge. And the Star Weekly's wide circulation can help him the most—no other single Canadian publication reaches such a vast market.

If you want volume sales you need a volume market—and that's exactly what you get through the Star Weekly—a good market with tremendous buying power.

Advertising in the Star Weekly can force distribution because the Star Weekly's circulation is so large it reaches every second English-speaking family in urban Canada.

The Star Weekly's 900,000 circulation also means support for salesmen in every territory. Wherever there are 60 or more English-speaking families there's a Star Weekly carrier boy!

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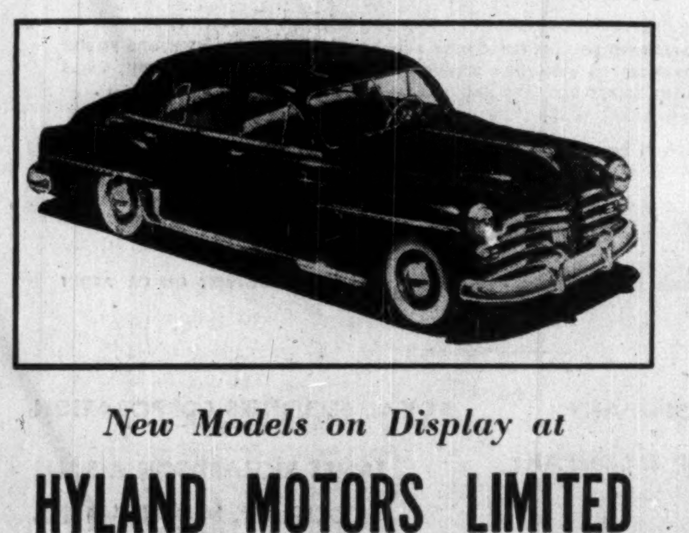
useful data

We have surveys on our audience and our readership; circulation analyses, and comparative figures on all aspects of the Star Weekly. Write or phone us or your advertising agency for general details or specific facts.

SEE THE 1950

DODGE

DE SOTO



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BEARINGS FOR EVERY PURPOSE

● Ball bearings play a leading role wherever high speed production machinery operates . . . because accurately designed and manufactured ball bearings *far* surpass all others in the reduction of friction.

Dodge-Fafnir ball bearings are manufactured to rigid specifications for peak efficiency under the most strenuous conditions.

That's why they are being used on an ever-widening scale in all types of mechanical production equipment operated at high speed in modern industry.

Standard Dodge-Fafnir Ball Bearings Include:

RADIAL BEARINGS — Single Row Radial . . . Double Row Radial . . . Radial Thrust . . . Extended Inner Ring . . . Grease Shield . . Felt Seal and Mechani Seal . . . Plya-Seal . . . Self Aligning "L" Type . . . Thrust . . . Wide Inner Ring.

UNITS — Single and Double Pillow Blocks . . . Line-shaft Boxes . . . Take-ups . . . Cartridges . . . Motor Cartridges . . . Adapter Bearings.

Write for Load Rating vs. Speed Chart and other useful data on Dodge-Fafnir Bearings. 47-19

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CANADIAN MEAD MORRISON

DAVIS PRESSURE CONTROLS

Includes pressure controls scaled from 30 in vacuum up to 2500 psi. for pumps, compressors and hydraulic systems.

Davis AUTOMATIC CONTROLS Limited
TORONTO MONTREAL

THE TOURIST BUSINESS

By WALLACE GILLESPIE

Here's Plan to Make Tourists Love Us Improve Things on the 'Reception Front'

We talk about a $300 millions tourist "take." What about our tourist "give" . . . the things we do to make our visitors welcome so they will tell the folks at home that Canada is a great place for a holiday?

Canadian Tourist Association is convinced that, if tourism is going to become a more helpful item in our balance of international payments, one of the most fruitful areas for improvement is on the "reception front."

But, to pin any idea on a large segment of the public at large — even the evident logic of tourist courtesy — is a formidable task. You must keep everlastingly at it. And, for the past four years, they have tried to dramatize the idea by holding a special "Tourist Service Week," early in the season as preparation for the main tourist influx.

The fifth such "Week" is coming up May 1-7. It will differ from its predecessors in that more of its observances will be generated at the local community level.

The thinking of the organizing committee — headed by Clifford W. Hale, sales promotion manager of Canadian Breweries Ltd. — is that scenery is a local thing, and people can best understand the economics of the tourist industry against that background.

Borrowing the "sales kit" idea now popular in the merchandising programs of many companies, they have worked out a Community Relations Program which will be sent to "co-ordinators" — usually the responsible tourist official — in each of the 10 Canadian provinces.

Inside the kit the co-ordinators will find a recommended plan of action which they can use in passing along promotional assignments to organizers at the community level.

Some Suggestions

Among the suggestions to be given to the communities are these:

1. Proclamation of Tourist Service Week by mayors of the individual cities, for example at an observance held in the municipal building or at a special luncheon.

2. "Know - your-local - tourist - attractions-better" program among service station employees, restaurant, hotel, theatre, and other service establishments.

3. "Open House" events in hotels, transportation companies, and other organizations which might be encouraged to tie in with Tourist Service Week.

4. Rallies of retail store employees promoting the theme "Courtesy to Tourists and Visitors" (Committee anticipates Famous Players theatres can be made available for Sunday afternoon use).

5. Participation by civic police departments in a courtesy program; police assistance for other promotional projects.

6. Special announcements and tourist material suitable for broadcast over school public-address systems.

7. Local theatre promotion, film shorts, and trailers to be provided by national film distributors.

8. Promotion material for employee bulletins, factory public address systems, and suggestions for pay envelope stuffers.

9. Use by local industries and commercial firms which meter their mail of special dies with the slogan "Tourist Business is Everybody's Business . . . This is Tourist Service Week."

10. Material suitable for distribution to all hotel inspection departments and provincial liquor control board inspectors.

11. Promotional suggestions for hotels, restaurants, and resorts, using window displays, window streamers, tent cards, menu stickers . . . as well as suggested memos and feature dishes during Tourist Service Week.

12. Setting up a local speakers panel to provide service clubs and other fraternal organizations with a tourist subject for meetings held during the week.

* * *

Winter Resorts Hit By Lack of Snowfall

Only a very late spring — with ski trails remaining in good shape till late March — would enable Central Canadian winter resort operators to recover any substantial portion of the dollars they've lost through see-saw weather conditions thus far. Full recovery of the loss is too much to hope for now.

Normally about one quarter of the winter's business is handled around the Christmas-New Year's season. Regardless of weather conditions, a slackening is usual during the first two or three weeks of January; picking up again in late January, remaining good through February and early March.

On this basis, about one third of a normal winter's business would be down the slalom by this date. But only a handful of people have turned up — about 10% of what good skiing conditions would bring, according to one estimate — and these have gone mainly to the larger resorts where alternative recreation is available. The smaller "tourist home" type of operation, which depends on skiing as its sole attraction, has been hard hit.

Loss to Laurentian operators so far is said to be around $2 millions; to Ontario operators, $500,000.

* * *

Repeaters Help Build Up Industry

Ammunition for the forthcoming campaign on "courtesy to tourists" could be found in figures released by Ontario's Department of Travel and Publicity, indicating extent to which tourist industry depends on "repeaters." Out of a half million visitors to province's 14 "reception centres" at border points in 1949, 84% said they'd been to Ontario before.

WAREHOUSE SPACE AVAILABLE

Ample public storage space in our new, sprinklered premises, free and in bond, truck level loading, CNR & CPR siding, trucking, distribution, reasonable rates.

CONSOLIDATED WAREHOUSES CORPORATION
2485 St. Patrick Street, Montreal
Telephone Fitzroy 8595.

FOR SALE
CONCRETE BLOCK BUILDING
with concrete floor

Completely reconditioned—in excellent shape. Containing 5,000 sq. ft. floor area with stoker fired forced draft hot air furnace. Property contains 10,000 sq. ft. on corner lot with water, gas and electric services. Suitable for warehouse or manufacturing. Located in Welland. Available by April 1st, 1950.

Apply
JOSEPH STOKES RUBBER COMPANY, LIMITED

PENSION SPECIALISTS

We recommend the use of Canadian Government Annuities combined with the Monarch Life pension for value and economy.

MIDDLESEX INSURANCE Agencies
LIMITED
TORONTO CANADA

Historical Sites Magnet To Draw More Tourists?

The wreck of an old ship, believed to have been one used La Salle in his explorations, was allowed to lie dismantled on a Manitoulin Island shore. Eventually it dropped into the water almost beyond reclamation. The timbers which remained on the shore were used by a lighthouse keeper's children for a bonfire.

To prevent tourist dollars from going up in other bonfires or vanishing under the crowbar of a wrecking crew, Ontario is at work on a plan which would tie the strings of history and tourism together in a "Provincial Historical Advisory Board."

Functions of this nine-member board, as drafted by a special conference in Toronto last week to discuss the province's wasting historical magnets, would include working for the excavation, restoration, reconstruction, and more dramatic marking of historical sites of interest to tourists. Photographic preservation in archives would be used where other methods are not possible.

It was also suggested, in a resolution which the conference drafted for presentation to the provincial cabinet, that the board work with other agencies in the issuance of pamphlets and local histories. It would also seek assistance, financial and otherwise, for the establishment and operation of local museums, including the training of curators. It would promote historical consciousness among Ontario people by encouraging the teaching of local history in schools, and by other educational and publicity media such as press and radio. The Board, as sketched, would have a permanent field secretary, outside the civil service.

Apart from centring responsibility for historical assets in the new board, other conference resolutions asked that:

1. The Ontario Government amend the Ontario Assessment Act, if necessary, to permit municipal councils to exempt local museums from local taxation.

2. Cities and towns in those parts of Ontario in which Indian reservations occur find means to stress the value of Indian history as a tourist attraction.

3. The Department of Travel and Publicity publish booklets outlining the history of each of the natural historical regions of Ontario.

4. The Department of Highways provide more adequate off-highway parking at historical sites, and that these be more adequately and dramatically marked.

5. The Department of Highways revise its county and municipal markers to incorporate local historical information as is done in the State of Vermont.

6. The Deparment of Highways give historical names, as well as numbers, where practicable, to major routes (e.g. "The Champlain Road.")

Most Tourists Just Look

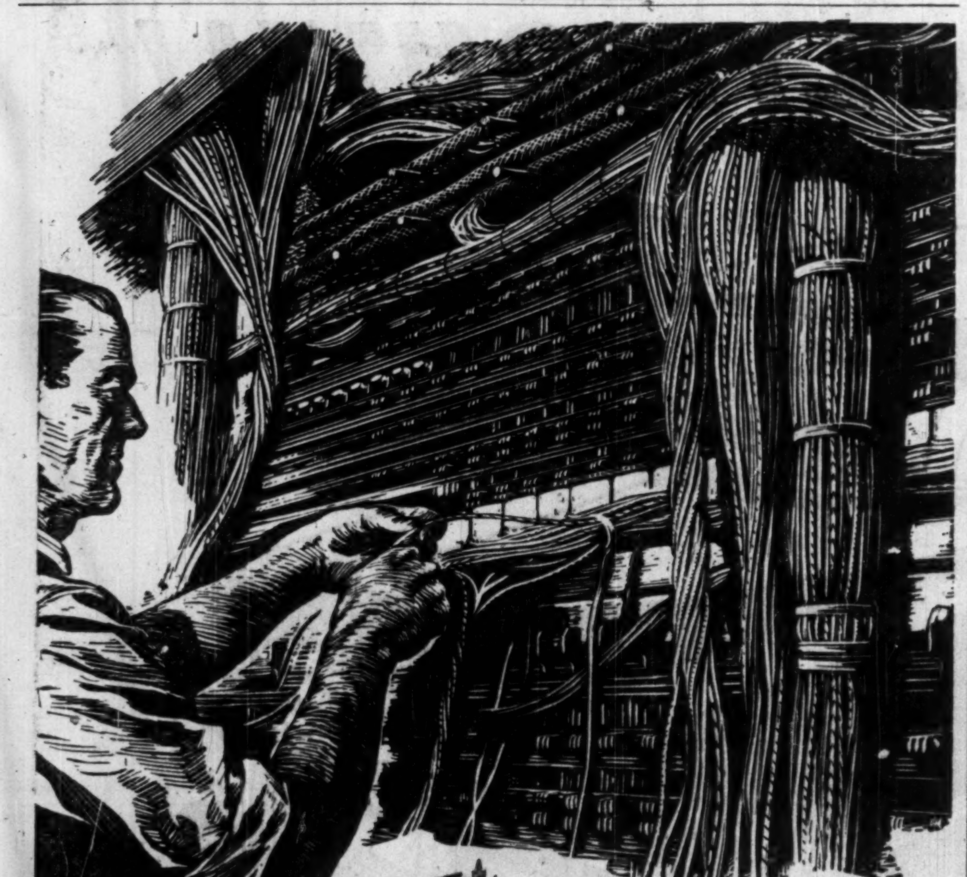
Background to the revived interest in preserving Ontario's historical attractions is given in statistics which show that tourists actually do when they come to the province. Hunting and fishing, for example, are much-advertised attractions, yet fewer than 1% of the Americans who enter the province actually reach the point of purchasing an angling or hunting license.

Virginia is often cited as an example of an area which gives "history" to see, and Travel Minister Louis P. Cecile makes this observation:

"I suggest that white men arrived in Virginia only a few years before Champlain and Brule saw Ontario on their first travels, and that events on our soil in the 17th, 18th, and 19th centuries, though on a small scale, were as decisive in shaping the course which history has taken on this continent, and indeed across the world."

J. D. Miller, deputy minister of highways, reported that his department has already marked 200 historical sites along Ontario roads, and is prepared to mark many more. The question of authenticity is sometimes difficult, he noted, and the department would welcome the guidance of some official body as to which places should be recognized.

The president of the Ontario Historical Society, Major J. Barnett, said that his organization had discovered lively American interest in our history when it manned a booth at the Canadian National Exhibition two years ago.



Tex-made
COTTON DOES THE JOB

BEHIND SWITCHBOARDS and walls, in radio sets and motor cars . . . wherever you find electric wiring you find cotton, too.

Wire manufacturers use more than 100,000 pounds of "Tex-made" cotton a month for braiding or winding round electrical wiring; protecting rubber insulation, covering copper magnet wire — assuring electrical "nerves" which are flexible, safe and strong.

COTTON IS THE CHOICE of these manufacturers because it is so easy to handle. It is less likely to break in winding machines, binds better than other yarns.

"*Tex-made*" *cotton*, traditional covering material for electric wiring, "does the job" in a thousand industrial and commercial applications.

If you have a problem pertaining to the use of cotton, our representative will be pleased to assist you in solving it.

DOMINION TEXTILE COMPANY LIMITED
Montreal, Canada

DRIVE THE 1950 DODGE

Rent it at . . .

RENT-A-CAR Co. LTD.

193 King Street West
Hamilton

916 Yonge Street
Toronto
KI. 3189

543 Dundas Street
London

"We Furnish Everything but the Driver"

Maritimes' Bid For Tourists In New Fundy National Park

SAINT JOHN—Latest in chain of national parks now established in every province except Newfoundland is Fundy National Park, located near the geographical centre of the Maritimes.

Since taking over the 80-square-mile New Brunswick site in 1949, the Federal Government has spent more than $1.2 millions constructing highways, buildings, and other permanent installations.

Tentative date for the opening ceremony is July 1. Work completed or to be finished by early spring includes a new highway, now ready for paving, 23 buildings, an outdoor swimming pool, an eight-hole golf course, 14 tourist cottages, tennis courts, a bowling green, playing fields, scenic paths, and camping sites.

Salt water for the swimming pool (105 ft. by 35 ft.) is drawn from the Bay of Fundy shore 200 ft. away, and is heated and filtered en route. Before entering the pool, swimmers walk through a disinfectant bath.

The golf course, claimed to be one of the finest in Canada, was designed by Stanley Thompson of Guelph who built many of the courses at Canada's other national parks. It will later be extended to 18 holes.

Large buildings completed are the registration centre, game warden's headquarters, clubhouse at the golf course, bathing house and hostel. The 14 tourist cottages will be increased to 30 this year. A new tourist hotel, privately owned, was opened near the administration building (Village of Alma) last summer.

Among projects scheduled for later completion are an outdoor movie theatre, a band shell, and a centre displaying New Brunswick handicrafts which have been gaining popularity with U. S. visitors.

The park area embraces some of the most picturesque country in Eastern Canada, with its southern section bordering a long stretch of the Bay of Fundy. Native wild animals are plentiful but protected. Fishing from the stocked lakes and streams will be allowed in season.

Ernest G. Saunders, a native of Florenceville, N.B., is superintendent.

These Debentures having been sold, this advertisement appears as a matter of record only.

Additional Issue

$4,000,000

Traders Finance Corporation Limited

(Incorporated under the laws of the Dominion of Canada)

4% Convertible Sinking Fund Debentures

due January 15, 1965

To be dated January 15, 1950. To mature January 15, 1965.

Principal and half-yearly interest (January 15 and July 15) and redemption premium, if any, payable in lawful money of Canada at the holder's option at the principal office of the Company's bankers in Vancouver, Calgary, Edmonton, Regina, Winnipeg, London, Hamilton, Toronto, Ottawa, Montreal, Quebec, Saint John or Halifax. Coupon Debentures in the denominations of $500 and $1,000 registrable as to principal only. Redeemable at any time in whole or from time to time in part, prior to maturity, at the option of the Company (subject to certain restrictions as mentioned in the Trust Indentures) on thirty days' notice, at 100 plus a premium of 3% if redeemed on or before January 15, 1951, the said premium being reduced by ¼ of 1% for each year or fraction thereof elapsed from such date to the date of redemption up to and including January 15, 1962; and thereafter and prior to maturity at 100; in each case with accrued interest to the date of redemption.

Conversion Privilege

These Debentures will be convertible into Class "A" common shares without nominal or par value in the capital stock of the Company, at the option of the holder at any time up to and including January 15, 1958, unless previously redeemed, on the following basis:

at the rate of 33 shares per $1,000 Debenture (being at the price of approximately $30.30 per share) if converted on or before January 15, 1952;

at the rate of 31 shares per $1,000 Debenture (being at the price of approximately $32.26 per share) if converted after January 15, 1952 and on or before January 15, 1954;

at the rate of 29 shares per $1,000 Debenture (being at the price of approximately $34.48 per share) if converted after January 15, 1954 and on or before January 15, 1956;

at the rate of 27 shares per $1,000 Debenture (being at the price of approximately $37.04 per share) if converted after January 15, 1956 and on or before January 15, 1957;

at the rate of 25 shares per $1,000 Debenture (being at the price of $40.00 per share) if converted after January 15, 1957 and on or before January 15, 1958.

In the event that these Debentures are called for redemption on or before January 15, 1958, the right of conversion may be exercised up to and including the day immediately preceding the redemption date. Upon any conversion no allowance will be made for accrued interest (if any) to the date of conversion but Debentures converted prior to the record date for payment of any dividend on the Class "A" common shares will qualify for such dividend. Provision will be made for adjustment of the conversion rate in certain events including a subdivision of Class "A" common shares.

Sinking Fund Provisions

The Company will covenant to establish a separate sinking fund for the 4% Convertible Sinking Fund Debentures due January 15, 1965, and the Company will be required to pay into such sinking fund $100,000 on January 15, in each of the years 1951 to 1964 inclusive. The manner in which such sinking fund moneys are to be applied is more fully described in the prospectus.

Trustee: The Canada Trust Company

In the opinion of Counsel, the 4% Convertible Sinking Fund Debentures due January 15, 1965 will be investments in which The Canadian and British Insurance Companies Act, 1932 (Canada) as amended, states that companies registered under it may invest their funds.

We as principals offer these 4% Convertible Sinking Fund Debentures due January 15, 1965, if, as and when issued by Traders Finance Corporation Limited and accepted by us and subject to the approval of all legal details on our behalf by Messrs. Borden, Elliot, Kelley, Palmer & Sankey, Toronto, who are also Counsel for the Company.

Price: 100 and accrued interest to yield 4%

Subscriptions will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. It is expected that 4% Convertible Sinking Fund Debentures due January 15, 1965, in interim form, which will be exchangeable for Debentures in definitive form when available, will be ready for delivery on or about January 25, 1950.

A prospectus, a copy of which has been filed under the provisions of The Companies Act, 1934, as amended, will be promptly furnished upon request.

McLeod, Young, Weir & Company
Limited

Nesbitt, Thomson & Company
Limited

Gairdner & Company
Limited

What's New

New Products, Applications and Ideas Gathered from World-wide Sources or Made in Canada for the First Time

Runless Hosiery

U. S. maker claims "Nylife" liquid plastic invisibly protects nylon, silk or rayon hosiery against runs or snags; won't mix with water; equally effective on new or worn stockings.

* * *

Neon Rainbow

Resarcher in color psychology at U. S. college is responsible for new transparent rainbow of light—made up of brilliantly colored neon tubes whirling on pinwheel-like base. Now made by U. S. firm in sizes one to 12 feet diameter, with advertiser's message flashing through regularly. Can be purchased as basic unit, with mechanism to drive and power it.

* * *

Painting High Walls

New type extension spray gun claimed by U. S. maker to be capable of reaching to second-story level. Come in lengths at two-foot intervals of four to 12 ft. One gun also equipped with 360-degree nozzle for painting inside pipes and conduits. Six-foot extension weighs only 4 lbs.; accommodate any sprayable fluid from light paints to heavy asphaltic compounds.

* * *

Sport-oculars

Three-power binoculars which may be worn like ordinary glasses made by Chicago firm. Plastic nose piece and temples are fastened to lightweight aluminum body. Temples adjusted to individual fit by submerging in hot water until plastic has softened, then formed to desired shape.

* * *

Lustre Paint Finish

Canadian-made paint for walls, woodwork, metal and furniture claimed to give finish that looks and washes like enamel; dries without brush marks in three-four hours; can be used indoors or out. No primer or undercoat needed; applied with brush or roller. Said to resist boiling water.

Manufacturers of products which are either completely new or are being made in Canada for the first time are invited to contribute to this column. Describe the product, state its purpose, outline in what respect it is new, and indicate its significance to its field.

Enquiries concerning items in this column should mention the heading to the item, and the date of issue in order to ensure prompt reply.

* * *

Ventilated Buff

Longer life, faster, better work with less fatigue to worker is claimed by Canadian manufacturer of rotary buff constructed to allow ventilation to enter through sides of buff, and pass out between buff sections which are attached on bias. Claim burning is eliminated, buffs won't ravel.

* * *

Pamphlet Collating

Gathering pages by hand for pamphlets and books is tedious business. U. S. machine will collate eight-page books up to 4,000 an hour. Hoppers each hold hour's supply of single pages; grippers lift pages off in sequence. Takes sheets from 5½ x 7 in. to 9 x 12 in. Carbon paper may also be collated. Envelope stuffer attachment (2,400 per hr.) may be in spring production.

* * *

Stay-on Blanket

Portland, Ore., firm makes bed cover that won't kick off. Flap at bottom and mitered zipper corners allow for varying thicknesses of mattresses.

* * *

Stacking Pallets

Self-aligning stacking pallet claimed by Canadian manufacturer to give more effective use of high warehouse space. Available for two-way fork entry with or without hand pallet truck entry, or for four-way fork truck entry. Vertical openings up to six feet; loads up to 4,000 lbs. per pallet. Can be made up to three units high; wood, steel or combination decks.

* * *

Long Span Joists

New catalogue of Dominion Bridge illustrates and describes long span steel joists for all types of big-building construction, with special features, stress loads given.

* * *

Carton Strapping

No seals are required for UK Seal-Less steel strapping system for cartons, crates, boxes, etc., claims Canadian distributor. Flat-sealed joints permit even stacking of cartons; one machine handles operation.

* * *

For Washing Windows

"Windowstep" platform hooks inside window-sill, allows user to step outside for pane-polishing. Weighs 11 lb., will support 1,000 lb., says U. S. maker.

* * *

Education Bulletin

Educational services provided by Canadian General Electric Co. and available for technical classes in schools, universities and industry are described in a special CGE bulletin. Subjects covered include fundamentals of electrical practice; new research developments in atomic power, electronics; lighting, air conditioning and in highly specialized industrial applications.

E. P. TAYLOR

has been appointed a director of the Royal Bank of Canada. He is chairman of the board, Canadian Breweries Ltd.

Invest. Foundation Will Pay Taxes

Shareholders of Investment Foundation Ltd. were advised this week that the company, which was operated as a standard investment trust in the years 1947 and 1948, has now elected to be taxable in order that its shareholders may receive the 10% tax credit from its dividends.

This is in accordance with the legislation recently passed by Parliament whereby Canadian investment companies otherwise qualifying for exemption from taxation under the Dominion of Canada Income Tax Act could elect to be taxed as corporations and thereby entitle their individual shareholders resident in Canada to a tax of 10% of dividends.

STE. FOY SCHOOL COMMISSION new issue of $250,000 of 3-3½% 15-year serial bonds has been sold to a syndicate composed of Gairdner & Co., Dudley Dawson Ltd., J. T. Gendron Inc., Lagueux & Desrochers Ltd. and Banque Canadienne Nationale at a price of $98,424 or a cost to the School Commission of 3.546%. The issue, dated Dec. 1, 1949, consists of $121,000 of 3%'s due Dec. 1, 1950-59, and $129,000 of 3½%'s due Dec. 1, 1960-64. Proceeds to build 18-class school

See what happened in 1949 to families like these!

(A REPORT FROM THE LIFE INSURANCE COMPANIES IN CANADA)

MEET THE BERTRAM'S son and daughter! Last year, life insurance helped put them both through college. For thousands of other Canadians, life insurance money made it possible to retire, travel, pay off mortgages or start new businesses.

Last year, more than $125 million was paid to living policyholders by the life insurance companies in Canada!

FOR SOME FAMILIES like the Coopers last year brought tragedy. But, although this family lost its father, there was enough money to maintain the home, pay living expenses and keep the children at school — thanks to life insurance.

Death claims paid by the life insurance companies in Canada in 1949 totalled more than $80 million!

TYPICAL OF PEOPLE who bought *new* life insurance policies this year are the Renaults. Since taking this step they have discovered greater peace of mind because it gives them more financial protection and retirement income for the future.

The amount of new life insurance bought in 1949 reached a record total of $1,600 million. Canadian families now own life insurance valued at a total of $14½ billion!

Life Insurance Served *Everyone* in These Important Ways!

BUILDING FOR PROGRESS. Last year over two hundred million dollars were invested on policyholders' behalf by the life insurance companies. Result: new schools, roads, bridges, industrial plants and many other projects were completed, promoting progress and creating jobs.

HELPING PEOPLE BUY HOMES. Life insurance companies invested many millions of dollars in mortgages for those who bought new homes last year. So from coast to coast, thousands of families are now happily settled in the homes they needed so urgently.

AIDING THE WAR AGAINST DISEASE. By contributing financial aid to medical research again last year, the life insurance companies helped science to fight cancer, tuberculosis, heart ailments and polio. This research promotes longer, healthier lives for all Canadians.

IT IS GOOD CITIZENSHIP TO OWN LIFE INSURANCE

A useful citizen in your community

All the benefits of life insurance are founded on the work of the *life insurance company representative.* Thanks to his services, more than a million Canadian families had life insurance planned to meet their individual needs!

HYDRO - ELECTRIC POWER COMMISSION OF ONTARIO monthly load summary for November, 1949, shows a considerable increase in primary power demands (actual loads plus cuts) over the corresponding month in 1948, for all three of the Commission's distribution systems.

Southern Ontario System increased 11.4%, due in large part to the fact that in November of this year there were no allocations of power to municipalities and rural operating areas, as was the case a year ago. The increase is also accounted for in some measure by the return to Standard Time.

Thunder Bay System was 27.4% over last year's figure, due principally to the inclusion of the Kaministiquia Power Co.'s load. Growth of the mining load accounts in large measure for the 4.6% increase for the Northern Ontario Properties.

In total power generated and purchased, the Southern Ontario System gained 10.5%, due to greater delivery from the Commission's suppliers in Quebec, and also to the recently opened emergency steam stations. Main reasons for the 31.5% increase in the Thunder Bay System were addition of output of the Kakabeka station of the Kaministiquia Power Co., and addition of a second unit at Aguasabon station since a year ago.

Max. 20-Minute Peak	Nov. 1949	Nov. 1948	Incr. %
Primary Demands:			
(Actual Loads plus Cuts)			
Southern Ont.	1,988,090	1,784,040	+11.4
Thunder Bay	169,108	132,735	+27.4
Nor. Ont. Prop.	221,185	211,515	+4.6
Total Generated & Purchased			
Southern Ont.	1,780,590	1,611,100	+10.5
Thunder Bay	174,608	132,735	+31.5
Nor. Ont. Prop.	224,685	237,985	—5.6

CHARLES SWEENY

New Managing Director of McGraw-Hill Company of Canada Limited. His appointment became effective January 1st, 1950, upon his resignation as Associate Managing Director of Wm. Collins Sons & Co. Canada Limited. *

COMPANY REPORTS

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

JOHN LABATT LTD. net profit for the year ended Sept. 30, 1949, was off 11.5%. The company, though still unable to take full advantage of demand in peak months, experienced a reduction in sales during the slack periods. With costs still rising, net earnings were down slightly.

In the last two years merchandising personnel and methods have been reorganized to meet increasing competition developing in the brewing industry. One new merchandising method was introduction of the EZY-DOZ package. The company has national distribution but shipments are being curtailed into those areas where higher freight and other costs eliminated a satisfactory profit margin. A one-way nonreturnable bottle was introduced into the Eastern Provinces, which will help to offset freight costs.

The U. S. market has been enlarged by the shipment of draught ale into border cities for the first time by any company. The company's new retail store at the Toronto plant showed a sales increase of 100% over previous year.

In London, early completion of a large fermenting and aging building will materially increase output during peak periods. To meet demand another bottling line is being installed in London. Costs of operation and maintenance will be substantially lower when it goes into production next spring. This added unit will bottle the increased output provided by the new building.

During the last four years company's fixed assets have increased by $4,640,273. Directors favor the policy of continuing to pay for capital improvements out of earnings.

A steady increase in population of Ontario, the company's major market, the better facilities offered the public by the Brewers' Warehousing Co. and the fact that Canadian consumption per capita is still below that of the northern United States and England are factors which favor market outlook.

CONSOL. INCOME ACCOUNT

Years Ended Sept. 30:	1949	1948
Net earnings	$2,888,179	$3,105,472
Less: Deprec.	393,059	317,732
Inc. tax res.	967,000	1,060,000
Net profit	1,528,120	1,727,740
Less: Dividends	900,000	900,000
Surplus for year	628,120	827,740
Earnings per Share and Dividend Record:		
Common	$1.70	$1.92
Paid	1.00	1.00

CONDENSED CONS. BALANCE SHEET

As at Sept. 30:	1949	1948
Cash & Dom. bds.	$1,308,780	$1,380,681
Accts. rec.	728,561	861,289
Inventories	1,878,463	1,806,000
Total curr. assets	3,915,804	4,047,970
Misc. assets‡	1,746,234	2,026,329
Fixed assets▴	5,675,391	4,764,668
Total assets	11,337,429	10,838,967
Accts., etc., pay.	949,984	1,000,344
Taxes pay.	834,328	923,410
Total curr. liabs.	1,784,312	1,923,754
Plant replac. res.	2,000,000	2,000,000
Res. redem. cont.	500,000	500,000
Capital stock	340,000	340,000
Earned surplus	6,713,117	6,075,213
▴After deprec. of	3,572,319	3,245,525
‡Incl. ref. EPT	528,800	725,000
Working capital	2,131,492	2,124,216

CIRCLE BAR KNITTING CO. Kincardine, Ont., net profit of $83,300 for the year ended June 30, 1949 was down 4.8% from the previous year's net of $87,504.

During the year new machinery and equipment totaling $120,007 was installed or paid for. This year the investment in new machinery and building alterations is expected to be about the same, President Wm. Mitchell states.

"The devaluation of sterling has not helped us, in fact it makes it easier for textiles to come into Canada from countries whose wages and standards of living are from 30% to 50% lower than in Canada," Mr. Mitchell states.

The annual meeting will be held on Jan. 23. The delay of this meeting was caused by trying to get clearance from the income tax department for the fiscal years 1945 to 1948 inclusive, Mr. Mitchell states. "We haven't been able to do it so we are not delaying annual shareholders meeting any longer," he adds.

INCOME AND SURPLUS ACCOUNT

Years Ended June 30:	1949	1948
Net earnings	$180,090	$180,285
Less: Deprec.	48,033	38,631
Income taxes	48,757	54,150
Net profit	83,300	87,504
Less: Dividends	26,398	16,131
Surplus for year	56,902	71,373
Earnings per Share and Dividend Record:		
Class A†	$3.16	$3.31
Paid	1.00	0.50
Common†	2.16	2.31
None paid.		
Cl. A & com.‡	1.58	1.66
Com. (old):		
Paid	......	0.15+0.05

†Before (‡after) participation.

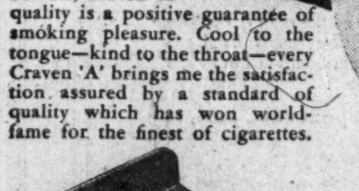
CONDENSED CONS. BALANCE SHEET

As at June 30:	1949	1948
Cash	$181,837	$293,714
Invests.*	90,700	90,000
Accts. rec.	214,906	228,352
Inventories	448,391	326,912
Total curr. assets	935,834	938,978
Misc. assets▴	32,010	21,701
Fixed assets†	428,546	407,493
Total assets	1,396,390	1,368,172
Accts. & tax. pay.	88,472	104,827
Divds. pay.	10,720	10,720
Other curr. liab.	5,871	8,146
Total curr. liab.	105,063	123,693
Gen. & cont. res.	63,625	63,626
Capital stock	126,995	126,995
Surplus▴	1,100,707	1,053,858
*Market value	91,484	90,988
†After depr. of	637,195	586,000
▴Incl. ref. EPT	27,010	21,701
Working capital	830,771	815,285

STE. MARTINE SCHOOL COMMISSION new issue of $100,000 of 3-3¼% serial 15-year bonds has been sold to Rene-T. Leclerc Inc. at a price of $99.05 or a net cost to the commission of 3.319%. The issue is dated Oct. 1, 1949, and consists of $61,000 of 3%'s due Oct. 1, 1950 to 1955, and $39,000 of 3¼%'s due Oct. 1, 1956 to 1965. Proceeds to build school.

For sterling quality give me Craven 'A'

For me, Craven 'A' quality is a positive guarantee of smoking pleasure. Cool to the tongue—kind to the throat—every Craven 'A' brings me the satisfaction assured by a standard of quality which has won world-fame for the finest of cigarettes.



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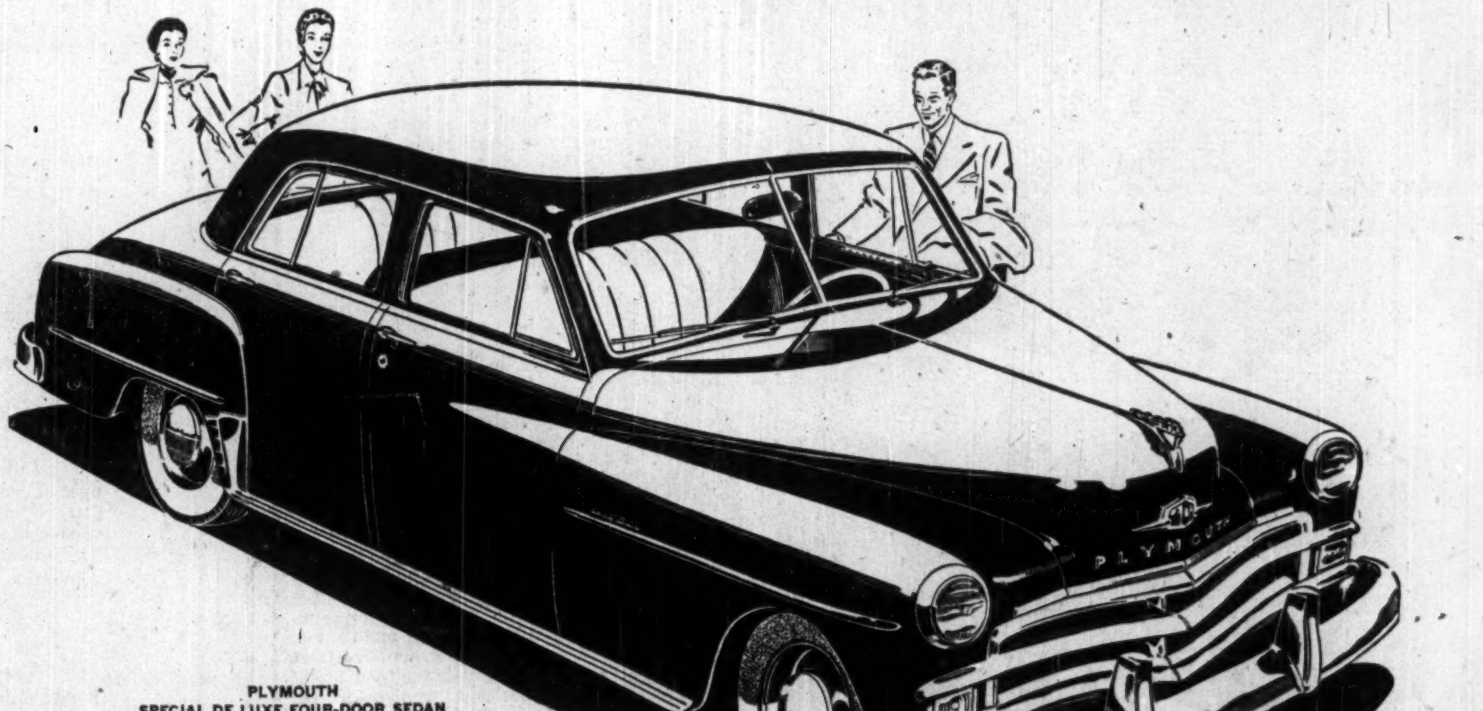

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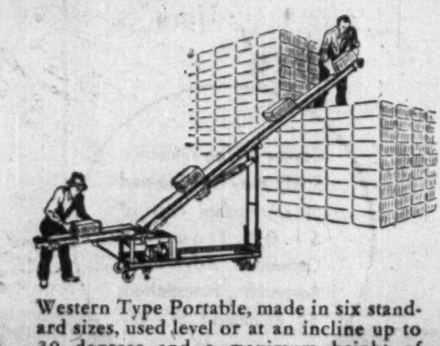

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Should We Scrap BNA Act or Go on Revising?

The Question: New Brunswick's Premier McNair suggests scrapping BNA Act and replacing with new Canadian constitution. What is your opinion?

Premier McNair's proposal that the BNA Act should be scrapped and an entirely new, all-Canadian constitution written does not meet with the approval of the majority of those answering The Financial Post Question this week.

Their contention is, broadly, that the wisest course is to work for positive amendments along the lines laid down at last week's federal-provincial conference.

Others suggest that while Premier McNair's suggestion may be good as an ultimate objective, it would prove difficult of achievement now. One suggestion is that any attempt to rewrite the constitution would bring in its train endless confusion and conflict until the detailed meaning of the provisions of any new act became established through customs, conventions and court decisions.

C. S. ARNOLD, barrister, Vancouver.

I do not agree with Premier McNair, as abandonment of the old to frame a new constitution would be acceptance of the Quebec contention that confederation, by 1949 BNA amendment, had been treated as a contract only and such an idea would place veto power in a single province and would deprive our confederation of its real significance as a union. The experience of the United States in fighting secession ought to be definite warning against any move based on contention that Canada is not one and indivisible, wherein the majority with fair consideration of minority rights and ideals should not rule.

SENATOR W. M. ASELTINE, Rosetown, Sask.

Premier McNair's proposal to scrap the BNA Act and replace it with a new Canadian constitution was ill-advised and made without serious consideration. His suggestion, if adopted, would split Canadian unity wide open. The Act with some minor amendments is quite all right as it is.

* * *

G. H. BARR, Member of the firm, Barr, Cumming & Barr, barristers, Regina.

Premier McNair's suggestion to adopt a new constitution instead of amending the present act is an ideal toward which we should strive, and will no doubt ultimately be realized and thus fulfil the hopes and ambitions for Canada of her two great statesmen, Sir John A. Macdonald and Sir Wilfrid Laurier.

However, I do not think it is feasible at present. In the meantime, it seems wise to make what progress is possible along the lines adopted by the Dominion-Province Conference at its recent session.

* * *

W. S. BEATON, Mayor, Sudbury, Ont.

The British North America Act, drawn up March 29, 1867, is doubtless obsolete now in very many respects. I am in full accord with the proposal that a new Canadian constitution should now be drawn up by Canadians, visualizing the full autonomy and sovereignity of the Canadian nation and giving the rights, constitutional and otherwise, of our citizens to freedom of religion, assembly, speech, creed and political belief, and full respect to every color and racial extraction, so that democracy will mean equality to all.

* * *

H. B. BURGOYNE, publisher, Standard, St. Catharines, Ont.

It would be right to write a new Canadian constitution provided the proper precautions were taken to guarantee provincial rights and to guard against over-centralization of the government at Ottawa. The BNA Act provides a series of rights to the provinces, and the residue to the Federal Government. This is the opposite to the United States and Australia, where certain rights are reserved to the federal governments, with the rest to the states.

BNA Act also appears to provide wide fields for difference of opinion as to interpretation, and this could be clarified by a new constitution. It would probably be as long and as complicated a task to amend the BNA Act to everyone's satisfaction as to write a new constitution. But let's have definite provincial rights, constitutionally guaranteed; and retain the clause concerning allegiance to His Majesty, The King.

* * *

GUY S. CUNLIFFE, associate editor, Gazette, Montreal.

Premier McNair has advanced a proposal which, as a theoretical ideal and ultimate objective, will appeal to many Canadians. But a great deal depends on the procedure undertaken to frame a new constitution and substitute it for the old, and above all, on what groups or individuals are delegated. For this task there is an obvious danger that both the framing and adoption of the constitution will be concentrated in the hands of a relatively small group of men drawn from provincial and federal governments without recourse to consultation with the people generally. This is only one of the practical and political difficulties which would have to be overcome in supplanting the BNA Act.

* * *

ARTHUR L. DAVIES, vice-president and general manager, Whig-Standard, Kingston.

I do not think it either necessary or wise to abandon the British North America Act and replace it with an entirely new Canadian constitution. The BNA Act has served Canada well for more than three quarters of a century. It doubtless needs amending in some particulars, but I feel sure a suitable method of making amendments within Canada will be worked out in the near future.

* * *

SENATOR W. D. EULER, Kitchener, Ont.

Premier McNair's proposal that the BNA Act should be scrapped and replaced by a genuine Canadian constitution seems to me the proper course. To leave amendments of any kind whatsoever to the parliament of another country, offends the sense of national dignity and independence of Canadians. Besides, the BNA Act is now a misnomer. Why continue to group Canada with colonies which are also comprised in the term British North America?

* * *

CAMPBELL HAIG, member of legal firm, Haig & Haig, Winnipeg, Man.

I oppose scrapping the BNA Act, but I think there is necessity for amendment to preserve provincial and minority rights. But the Federal Government must have wider powers in the field of labor, and social legislation for purposes of uniformity.

* * *

GORDON B. ISNOR, Liberal Member of the House of Commons for Halifax, N.S.

There is no need to completely scrap the British North America Act. The basic foundation of the Canadian constitution is sufficiently sound on which to rebuild a new model constitution which will serve present-day conditions. The steps now being taken by the Dominion Government, along with the present attitude of the provincial governments, appear to me as pointing toward a solution to this important question. The need, as I see it, is to have all provinces understand the problems affecting the various sections of our nation, and then frame workable amendments which will assist and solve present outstanding differences.

* * *

A. BRUCE JOHNSTON, president, Empire Club of Manitoba, Winnipeg.

Canada has done very well under the BNA Act which has not, in my opinion, hindered our growth and development. Now our country has come of age, has achieved nationhood, and it is time for revision of the Act on which our constitution was founded. The self-government we enjoy, although factual, is not actual while we are dependent upon an outside government, however friendly and accommodating, for constitutional amendments. The BNA is an Act of the British House of Commons. Canada's constitution should be based on an Act of the Canadian Parliament. The Commonwealth connection would continue unimpaired.

* * *

H. G. LONG, editor, Herald, Lethbridge, Alta.

Premier McNair is altogether too drastic. True, we have a 1950 engine in an 1867 chassis and that leaves lots to be desired. But we must start with what we've got, because our whole political-social-economic structure is based on 83 years of the BNA Act. A new constitution would have to start from there. Less dislocation is likely if we proceed to modernize the structure to meet mid-twentieth century requirements. It can be done by leaders of people of goodwill and understanding as it was done by the Fathers of Confederation nearly 100 years ago.

* * *

SENATOR F. W. PIRIE, Grand Falls, N.B.

Until such time as I have had the opportunity of studying the proposals made by Premier McNair regarding the new Canadian constitution, I hesitate to express any views, except to say that in principle, I believe that Canada has now reached the stage of nationhood when an all-Canadian constitution is desirable, providing always that the rights of the individual provinces are fully protected on matters falling within their jurisdiction.

Personally, I have always considered the BNA Act an excellent document, but regret to say that some of its most important provisions which did vitally concern some of the provinces were never implemented and I hope if a new Canadian constitution is enacted this condition will not apply.

* * *

PROF. DONALD C. ROWAT, Department of Political Science, University of British Columbia, Vancouver.

Rewriting the constitution is easier said than done. Too many controversial questions would be raised. True, some parts of the BNA Act are completely out of date and should be scrapped. But the living federal parts are no mere words. They are backed up and interpreted by customs, conventions and court decisions. Writing them in different words in a new constitution would create confusion and conflict until the exact meaning of the new words became clear. We should look before we leap into scrapping anything so fundamental as our constitutional law. If we can agree on a flexible method of amending it, let's let well enough alone.

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What's Ahead for Stocks, Commodities And Bonds During the Coming Year?

(Continued from page 7)

some decline in operations as the year progresses. However, with housing demand still high, it is not likely that any decline will be very severe and, generally speaking, the industry should maintain a high degree of productivity.

The foodstuffs and milling industry is starting the year under a cloud, due to reduced export demand. While the outlook at the moment is rather bleak and may continue for some months, I doubt if the situation is as bad as it appears, and it is even possible that the sterling area, generally, may perform better as regards Canada than is indicated at present.

Actually, it is impossible to take the country's economy and divide it into clearly defined segments, stating that certain groups will do better than others, because a company can be chosen in any group or category in which operations will be more profitable and even possibly spectacular in any one year, compared with other companies in the same grouping. However, by and large, the outlook for the progressive, soundly managed, well financed and efficient companies in 1950 is excellent, and the selection of the right medium, as usual, should produce very favorable results.

Period of Expansion Ahead?

While the outlook is guided by uncertainties, the developments of 1949 provide a solid basis for confidence that the stage is slowly but surely being set for another period of expansion and continuing prosperity. This is based on:

(1) An improved psychological position in which the fear complex has been lessened, and a degree of optimism substituted;

(2) The postwar increase in population by natural growth and from immigration, resulting in a continuing increase in new family formation.

(3) Technological progress has been accelerated, not only by business but by governments, which has meant lowered costs, increased efficiency and consequently wider markets for old and new products.

(4) Finally, there has been a trend away from radicalism, and while governments will continue their policy of welfare socialism, I suggest it is fair to say that these governments are gradually coming back to the recognition of the proper place capital holds in the progressive development of the country.

Certain other factors will have a more direct bearing on stock market action in 1950 than the basic economic factors outlined briefly and which have been dwelt on so extensively by all the forecasters of the past month.

Stock Market Action

Broadly speaking, stock markets reflect the demand for and supply of the shares of companies whose stocks are listed on the various stock exchanges. The character of the demand has a very great bearing on market movements. In other words, varying economic and business conditions will produce different effects on the stock market, based on the degree of over-all investment or speculative buying and selling.

Since the end of the war there has been a gradual increase in confidence in the stocks of soundly managed and well financed Canadian and American companies which have demonstrated their growth capacities in a profitable manner commensurate with the growth and expansion of the North American economy.

The demand for stocks of an investment character has been growing because of the necessity for investors to increase investment yield, and to hedge against declining purchasing power of the dollar as reflected by lower bond yields and the general inflationary trend. To an extent, there has been a basic shift from cash and bonds into equities, and this should increase as the favorable impact of the 10% income tax credit on dividends is felt by Canadian investors.

Coupled with the growth of investor demand for stocks, has been the increasing institutional demand represented by growth of assets under administration by life insurance companies, by the tremendous increase and growth of pension funds, and to some extent of charitable and educational endowment funds.

While it is true that institutional funds of this nature commit only a small proportion of their funds in equities, nevertheless it is a significant amount and everything points to continued growth in the future. But, far more important has been the growth of the so-called open-end mutual fund, particularly in the United States. It is becoming one of the principal factors in the increased demand for high-grade investment stocks and one which may well reach a climax in the year to come, or shortly thereafter.

U. S. open-end mutual funds, largely invested in stocks, had assets totaling approximately $2 billions at the end of 1949, but the most significant factor of this development is that these assets increased in 1949 by about $400 millions over the previous year.

Possible Effect in Canada

In Canada, the total assets of similar open-end funds have not yet reached $50 millions, but more and more investment dealers and stock brokers looking for a profitable and successful medium of investment, are persuading their clients to seek diversification, security, and increased income by the purchase of shares of this new and improved type of investment trust.

The tremendous increase in the sale of mutual fund shares by security dealers has reached a volume which actually is giving stability to the market, and perhaps unwittingly these dealers, through their intensified efforts, are becoming a force in producing another upward phase in the stock market.

If, however, this selling of these units should be poorly handled and overdone, then in some future down-swing of the market when an actual or psychological need for cash develops, the re-sale of units back to the open-end trusts may become a good substitute for forced marginal selling.

This threat, however, is not likely to be a factor in 1950. It is a possible aftermath to a situation which is only now developing its full potential, but which could easily account for higher levels in the equity markets in 1950.

In conclusion, there is a note of caution. Stocks have now been rising continuously since June. Stock market indices are at virtually the highest levels since 1930s. Fear and caution are being tossed to the winds. Confidence is in the driver's seat, and investment funds are getting restless; consequently, an intermediate setback should show up before long.

Basically 1950 should be a good year for equity investors, provided always they follow the sound principle of reducing the percentage of their stock holdings as the market rises.

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What Brought Monopoly Charge in Matches?

Here's Engrossing Story of Why McGregor Alleges an International Cartel

What brought about charges of monopoly in the wooden match industry in Canada? What's the history, the background? How was the alleged combined established? Who's who? Was rival manufacturer paid a salary not to compete? Here are the answers as given in Ex-Combines Commissioner Fred A. McGregor's report released last week.

It's nearly 100 years since the match industry got started in Canada: the centenary falls next year.

Through these 99 years foremost in the industry has been the name Eddy. It was E. B. Eddy Co. Ltd. that was first in the field, starting production a Hull, Que., in 1851.

Today it's Eddy Match Co Ltd. —formed in 1927 and never under E. B. Eddy Co. control—which, with its subsidiary companies, has almost the entire $3.4 millions yearly Canadian wooden match market to itself.

In its 22 years Eddy Match has seen five would-be competitors come and go. All found the going too tough; all fell in the struggle to survive as independent companies; two remain today as Eddy subsidiaries.

It was the manner in which these companies died that led to investigation of Eddy Match interests under the Combines Act; to the subsequent charges by Ex-Combines Commissioner Fred A. McGregor that Eddy Match is "in effect a combine and a monopoly within the meaning of the Combines Investigation Act," that an international cartel has manipulated "to secure monopoly in the wooden match industry in Canada and to prevent as far as possible the development of any competition which might affect the monopoly."

Right from the beginnings of the industry strong has been the influence of U. S., British and Swedish match interests on the Canadian industry. It was these concerns that had the know-how. Prominent from the beginning have been the world's largest producers: Diamond Match Co., of U. S.; Bryant & May Ltd. of Britain; Swedish Match Co.

It is these companies and interests growing out of them that McGregor accuses as being the guiding hand behind alleged Eddy monopoly operations—operations which, he says, were established with formation of Eddy Match in 1927 and have been continued throughout.

How They Moved In

What does the history of the industry show, how and when did the world-powerful Bryant & May, Diamond and Swedish companies come into the picture?

Diamond Match Co. was organized in 1880 as a merger of substantially all U. S. match manufacturing companies and, with patents on superior types of match-making machinery, was soon able to extend its operations into a number of other countries.

Bryant & May started as a small London (Eng.) partnership in 1841; by 1901 had bought up Diamond interests in England and had come to an agreement with Diamond on spheres of operation in world markets; by 1926 had bought up most British match plants in England and others throughout the Empire.

Swedish Match Co. was formed by Ivar Kreuger, the Match King, during the first world war as an amalgamation of virtually all match manufacturing and distributing companies in Sweden and other Scandinavian countries. At one time he controlled over 150 match factories in 28 countries.

In Canada, E. B. Eddy Co. had the field to itself until the beginning of this century. By 1910 it had three competitors, one in Quebec, another in New Brunswick, the third in Nova Scotia.

Ten years later there were E. B. Eddy Co.; Dominion Match Co., Deseronto, Ont.; Les Allumettes de Drummondville Ltee., Drummondville, Que.; and Beacon Match Co., Deseronto.

By 1922 only E. B. Eddy and Dominion survived. But they were shortly to be joined by two newcomers, Canadian Match Co. at Pembroke, Ont., and Match Co. Ltd. at Berthierville, Que.

This was the first assault on the market by the powerful foreign interests. Back of Canadian Match was Bryant & May and Diamond who were joined by Maguire, Paterson and Palmer (Canada) Ltd. and other Canadian interests Maguire, Paterson subsequently sold out to Bryant & May.

Match Co. had Rockefeller money behind it; in 1923 passed to Kreuger to become World Match Corp. Ltd.

The Battle Is Joined

It was here that the battle for domination in the Canadian market apparently began.

Says McGregor:

"Organization of the match industry from this point on became profoundly influenced by the relationships established among the principal world producers whose interest overlapped in a number of markets and led to a series of arrangements designed to protect the interests of each."

The situation of these producers in the crucial year of 1927—the year of Eddy Match beginnings—was this:

Bryant & May had the majority interest in Canadian Match.

Kreuger held the dominant position in World Match and so severe was the competition between the two groups from 1923 to 1927 that World Match losses totaled more than $2 millions for the period.

Rivalry between American, British and Swedish match interests, McGregor reports, led to a "reconciliation of the conflicting interests of Bryant & May and Swedish Match in 1927 with formation (in U. K.) of British Match Corp. Ltd. to act, in effect, as a holding company for Bryant & May and Swedish Match interests in most parts of the British Empire. Swedish Match got 30% of the new company's shares; Bryant & May 70%, of which 5% subsequently went to Diamond.

"The agreement to form British Match cleared the way for other agreements with respect to the Canadian market. Within six months Bryant & May had acquired the beneficial interest in the net assets of World Match (the Canadian Kreuger company) through purchase of all 6,000 outstanding shares of World Match from International Match (the U. S. holding company).

"The Ultimate Object"

"The merger of all principal match companies in Canada now appears to have been the ultimate object. This necessitated the acquisition of the match division of E. B. Eddy Co. which prior to Dec. 31, 1927, had acquired Dominion Match.

Eddy Match was set up with 120,000 shares of no nominal value. E. B. Eddy Co., took 9,600 of these shares; 47,400 were issued in payment for Canadian Match assets and the remaining 63,000 went in payment for World Match owned by Bryant & May.

What happened from this point on, was this, according to McGregor:

1. World Match agreed not to manufacture or sell matches in Canada for 10 years from Jan. 1, 1928.
2. Canadian Match agreed that at no time after Jan. 1, 1928, would it engage in manufacture or sale of matches.
3. E. B. Eddy Co. agreed to enter into an exclusive agency agreement with Eddy Match for three years from Jan. 1, 1928 for sale and distribution of Eddy Match products throughout Canada; not to manufacture or sell matches or otherwise engage in the match business except with Eddy Match consent.

Thus, Eddy Match became sole Canadian producer—at least for a while.

It is from this point on that it is claimed monopoly in the match business in Canada was established.

Says McGregor:

"The merging of Canada, Eddy and World companies in Eddy Match meant that competition among match producers in Canada disappeared . . . . The mere size and extent of operations of Eddy Match and its possession of trade names long established in the public mind would make it extremely difficult for any new company to get a start in the match industry in Canada, let alone establish a firm position in the trade."

But in the 20 years that followed five new companies did make the effort.

First Challengers

First potential competitor with Eddy was Aurora Match Corp. Ltd., of Aurora, Ont.; formed in 1928, a small company which never got beyond manufacture on an experimental basis. Aurora Match sold out to Eddy in May, 1928, for $27,500.

First substantial challenge came from Columbia Match Co. Ltd., incorporated July 30, 1928. The company started producing at St. Johns, Que., in June, 1929, with a stated objective of capturing 10% of the match market in Canada. Within three years the company (whose vice-president and director of sales, P. A. Conway had been World Match sales manager) was bankrupt.

"Activities of Columbia Match," says McGregor, "appear to have been followed closely by Eddy Match from the time the company was organized.

" 'No doubt you will watch their efforts and see they are carefully attended to if they attempt

(Continued on page 15)

Here's Book Match Situation

Eddy was sole producer from 1928 to 1940. Today the company has 40% to 45% of the market, the rest being shared by three independent producers: Book Match Manufacturers Ltd., Toronto; Strike-Rite Matches Ltd., London, Ont.; Premier Matches Ltd., Montreal. These companies are not charged in the MacGregor report.

Annual output of all companies is around $800,000, as against $3.4 millions in wooden matches.

How the book match market has been shared over recent years is shown by the following table:

Years Ending Mar. 31	Book Matches as Percentage of Total Domestic Sales	Share of Total Domestic Match Sales: Independent Companies	Share of Total Domestic Match Sales: Eddy Match
	%	%	%
1938	1.2	2.6	97.4
1939	2.4	52.4	47.6
1940	3.1	60.7	39.3
1941	6.0	63.2	36.8
1942	9.9	70.3	29.7
1943	10.4	60.0	40.0
1944	15.9	58.6	41.4
1945	16.5	60.0	40.0
1946	17.4	60.9	39.1

McGregor comments on the competitive position:

"The independent manufacturers have succeeded in building up their businesses during a period when the demand for matches of all kinds increased very substantially and when Eddy Match had difficulty in enlarging its capacity for the manufacture of book matches.

"Although there is evidence that independent book match manufacturers have been active in seeking to get business in competition with Eddy Match, there is also some indication that prices established by Eddy Match have been accepted on a basis of price leadership by one or more of the independent companies. While the documentary evidence makes clear that Eddy Match has endeavored to push the sale of wooden matches, in which it had a monopoly, in preference to the sale of book matches, it is also evident that Eddy Match has been determined to maintain or improve its position in the book match field."

The Who's Who of Eddy Match Co. Ltd.

Who's who in Eddy Match Ltd.? Listing the original board, the McGregor report says management since incorporation has been directed by persons connected with Diamond Match Co.

The original Board comprised:

G. W. Paton, president, chairman and managing director, Bryant & May, Ltd.; chairman, British Match Corp., Ltd.; director, Canadian Splint & Lumber Corp. Ltd.

W. A. Fairburn, chairman and managing director; president, The Diamond Match Co.; director, Canadian Splint & Lumber Corp., Ltd.

B. C. Snead, deputy chairman, deputy managing director and secretary; director, Canadian Splint & Lumber Corp., Ltd.

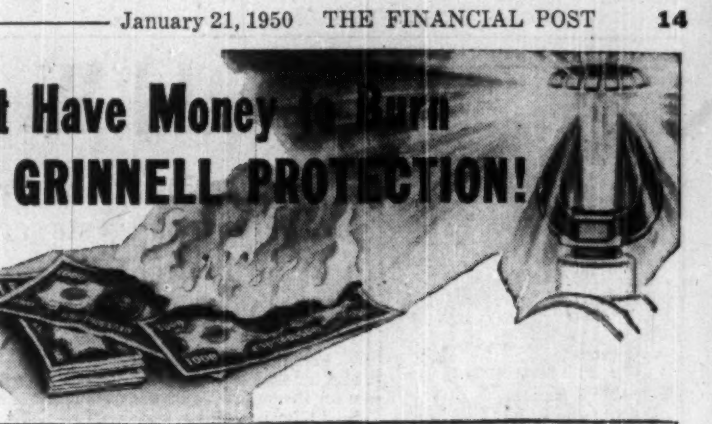
A. G. Woodruff, vice-president, general manager and treasurer; director and general manager, Canadian Splint & Lumber Corp., Ltd

Ivar Kreuger, president, International Match Corp.; **C. E. Bartholomew**, deputy chairman, Bryant & May, Ltd.; **E. A. Dunlop**, president, Pembroke Lumber Co. Ltd.; director, Canadian Splint & Lumber Corp. Ltd.; **A. A. Aitken**, Montreal.

W. A. Fairburn died in 1947, was succeeded in 1948 by his son, W. A. Fairburn, Jr.

A. G. Woodruff died in 1929 and since then Canadian operations have been jointly supervised by E. P. Miller, vice-president since merger of Canada Match, and by H. A. Rudd until 1942 when he was succeeded by H. Hart as vice-president and treasurer.

If you Don't Have Money to Burn
YOU NEED GRINNELL PROTECTION!



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BURNED OUT BUSINESSES usually mean burned out records . . . ledgers, sales records, documents, blueprints . . . vital information lost forever. Could your business survive such a blow?

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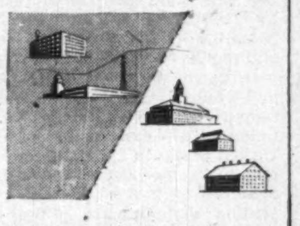

2 OUT OF 5 burned-out businesses never resume operation, regardless of insurance. Grinnell Sprinklers protect you from this catastrophe, with automatic certainty.

REDUCTIONS IN INSURANCE premiums frequently pay for Grinnell Protection in a relatively few years. You're paying for Grinnell Protection . . . *Why not have it?*

Find out about this Positive Protection...

Needless loss of life and property can be prevented by checking fire at its source, whenever and wherever it starts, with Grinnell Automatic Sprinkler Systems. For more than seventy years, practically 100% of fires starting in buildings protected by Grinnell Automatic Sprinkler Systems have been extinguished before doing material damage. Owners of more than 70 billion dollars worth of property rely on Grinnell. Why don't you? Write for information.

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GRINNELL
FIRE PROTECTION SYSTEMS

BASE YOUR 1950 ADVERTISING ON FACTS!

Now . . . for the first time anywhere in the world . . . a report on a national medium . . . validated by advertisers and agencies

In the battle for 1950 sales, astute advertisers are finding the new Audience Study of 11 Magazines in Canada a most valuable tool.

Now, when tough competitive conditions demand the most exacting selection of media, you have at your disposal a wealth of authenticated FACTS on which to base your advertising plans.

The Audience Study is the result of a thorough, scientific and unbiased investigation directed by the Canadian Advertising Research Foundation. The Association of Canadian Advertisers and the Canadian Association of Advertising Agencies validated the project through co-operation with the C.A.R.F. and A.R.F.

The result is a 36-page report containing a wealth of information not hitherto available on Canadian magazines . . . and not yet available on any other national medium . . . anywhere in the world.

Advertisers and advertising agencies now have a complete, impartial and objective picture of the audiences of the surveyed magazines.

In the aggregate, the Audience Study proves that Canada is a "magazine country" . . . that the Magazines of Canada, both English and French-language, wield a tremendous influence over great masses of men and women of all ages, in every city, town and village, and on farms, from coast to coast.

The Audience Study of 11 Magazines in Canada contains authenticated data under the following categories:

- AUDIENCE PENETRATION
- SEX
- AGE
- REGION
- COMMUNITY SIZE
- URBAN AND RURAL
- EDUCATION
- ECONOMIC LEVEL
- OCCUPATION OF HEAD OF HOUSEHOLD
- HOUSEHOLD POSSESSIONS

AUDIENCE STUDY OF 11 MAGAZINES IN CANADA

Canadian Home Journal
Chatelaine
La Revue Moderne
La Revue Populaire
Le Samedi
Maclean's
National Home Monthly
New Liberty
Reader's Digest
Selection du Reader's Digest
Time

Conducted on behalf of the
CANADIAN ADVERTISING RESEARCH FOUNDATION
by
The Advertising Research Foundation

1949

Copies of The Audience Study may be obtained at a nominal cost of $1.00 from the Canadian Advertising Research Foundation, 85 Richmond St. W., Toronto.

Measurable audience penetration . . . quality reproduction . . . colour availability . . . and low-cost-per-*proved*-reader . . . makes magazines the best buy in Canadian advertising!

SELL the Magazine Audience and you sell CANADA!

Use THE MAGAZINES OF CANADA
for NATIONAL Coverage with LOCAL Selling Effect!

THE MAGAZINE ADVERTISING BUREAU OF CANADA, 137 WELLINGTON STREET WEST, TORONTO

Why International Cartel in Matches Here Is Alleged

(Continued from page 14)

to take any of our business' Eddy's president G. W. Paton, wrote to General Manager A. G. Woodruff.

The Pattern Is Set

"In the following year Eddy arranged to purchase a few shares of Columbia through a nominee 'to give us the privilege of examining the list of stockholders and other corporate records of the company as well as entitling us to receive all statements and reports etc.' "

Subsequent Eddy actions to meet the new competition, says McGregor were to set a pattern to be followed "over the years . . . in dealing with each new producer whose sales might alter in any significant degree the monopoly."

Columbia Match became bankrupt in Feb. 1932. By that time, according to estimates made by Eddy Match on the basis of excise tax payments, Columbia had secured a 14.35% share of the market as compared with 7.46% in its first year of operations.

"Hidden Relationship"

With the Columbia plant at St. Johns now vacant, Bryant & May and Diamond Match joined forces to set up a new operating company to take over the plant, Commonwealth Match Co. Ltd., which, says McGregor, would have no outward relationship with Eddy Match.

"This policy of maintaining Commonwealth as an apparently independent competitor was continued until the time of the investigation when the relationships between the various match companies in Canada controlled by Bryant & May and Diamond became subject to examination.

"Tried To Avoid Disclosure"

"Throughout the period of the existence of Commonwealth Match, up to the time of this investigation, considerable efforts were made to avoid disclosure of the community of interest between Commonwealth and Eddy arising out of the common financial and management control. The purpose was obviously to give to the trade and the public generally the impression that Commonwealth Match was a genuinely independent competitor and that Eddy Match did not possess a monopoly of the match business in Canada.

"If all instructions regarding destruction of correspondence or of placing of records had been followed it would have been much more difficult to determine the common interest of Bryant & May and Diamond in match companies operating in an apparently independent manner.

"Efforts to avoid disclosure of the true financial interest in the several companies and of the central management which was being exercised were consistently maintained throughout the period prior to the investigation."

Short-Lived Challenge

In April, 1929, came another attempt to fight Eddy, but the attempt was so short-lived that there's no record of the company concerned, Hull Match Co. Ltd., of ever beginning operations.

Next serious bid to compete came in 1931. Canada Match Co. Ltd. (not to be confused with the company of the same name involved in formation of Eddy Match), was incorporated and started operations.

"When Canada Match began to seek outlets," says McGregor, "it encountered the competitive conditions which had developed through Eddy's earlier efforts to check sales of Columbia matches." (price-cutting on fighting brands in specific areas, etc.).

The company carried on for four years all told. For a period it found competition not so tough as at the beginning. But in 1933 it was hit by a fire at its Hull factory, and was out of production for three months. Then in 1934 Eddy tried to buy up outstanding shares of Canada Match, through a nominee, W. A. Becker, director and employee of Commonwealth. By the end of the year $50,365 had been acquired in 313 shares (of a total of 1,039) held by 12 shareholders including Canada Match president, J. W. Charette.

By January, 1936, all but 25 shares had passed into Eddy hands. Total cost to Eddy of acquiring Canada Match was $213,715.31.

Competition, says McGregor, had been removed once again.

Canada Match — which had made a profit in every year of operations after the first—became an Eddy subsidiary and a separate company, Valcourt Co. Ltd., was formed by Eddy to act as a holding company for Canada Match shares. It bought them from Eddy for $103,900—less than half of the price Eddy paid for them.

He Made a Second Try

A principal in formation of Canada Match and subsequently its president had been one J. W. Charette. He had had no previous experience in the match business, says McGregor, but had had considerable experience in the wholesale grocery business.

Charette did not go to Eddy with Canada Match. Instead he decided to fight again. Three months later we find him president of another new match company in Hull, Federal Match Ltd. This was in March, 1936. By fall Federal was in production and in active competition with Eddy in many parts of the country with production from a brand-new plant.

It was to prove a bold, but again abortive, venture. And the cards were stacked against it from the beginning. Not only had this new company to meet competition from Eddy's own long-established brands, but from Canada Match as well.

"In addition," says McGregor, "the sales policies of Eddy and Commonwealth appear to have been much more closely coordinated than in the earlier period."

Eddy set up an elaborate system of watching Federal activities at its plant and through distribution channels. Says McGregor:

"As in the earlier period of competition with Canada Match, Eddy Match closely watched the activities of Federal. The fact that Federal's factory was located in the same city as that of Canada Match was taken advantage of.

"Commencing in 1936, E. J. Molyneux, then employed on engineering work at Canada Match, sent frequent reports, sometimes daily, containing information about Federal's activities. The rate of production at Federal's factory, the quality of the product and destination of shipments were matters frequently dealt with in such reports."

Shipments of Federal products, says McGregor, were traced to destination all over the country, through wholesale chains to retail outlets. Elaborate devices, he says, were employed to find out who was buying Federal at Eddy's expense. And once the file of information had been completed the price-cutting, fighting brand Eddy plan went into action.

Federal lasted as an independent company till 1940. In that time it built up a surplus of over $42,000. On May 10, 1940, after three months' negotiations, President Charette sold out to Eddy. Valcourt paid $136,500 of Eddy money to Federal stockholders for purchase of the business. Federal's position was: Authorized capital of $100,000 comprising 1,000 common shares, par value $100; issued capital, $45,500 in 455 shares; surplus, $42,323.08.

Why Eddy Sought Control

E. P. Miller, Eddy vice-president and sales manager in evidence to the Combines Commission, McGregor reports, said Eddy sought control of Federal (as it had sought control of Canada Match) because of "inefficient management and poor quality goods which reflected on the industry, and a very obsolete and very bad operation—I did not consider it was any benefit to the country by such operations." He added that, "Obviously eliminating a competitor was also among the motives."

Charette was not to try again. Arising out of this merger we find Charette taken on to the payroll of Valcourt—"at $345 a month," McGregor reports—and bound by an agreement not to enter the match business in any way at all, directly or indirectly, for a period of three years from any such time as his employment with Valcourt terminated.

Federal was continued as a subsidiary. "The result," McGregor comments, "was that during the war period Bryant & May and Diamond controlled all the factories in Canada producing wooden matches."

Wartime Expansion

The war period saw an appreciable expansion in Eddy production—from 421,169 cases produced in 1940 to 588,256 cases in 1946. Production by associated companies, Canada, Federal and Commonwealth, in the same period remained relatively constant at between 40,000 and 50,000 cases a year each.

In export trade Eddy sales saw a tenfold increase — 1940-1945 from 2,458 cases for the first year to 22,800 cases in the latter year.

Postwar exports fell off from the 1945 high to 6,113 cases in 1946 although 1947 saw a jump to 9,678.

At the same time Eddy was becoming concerned about imports to the Pacific Coast and the Prairies. They had reached 41,344 cases in 1943.

Now Eddy, right from the start, had had plans for building a western plant.

The issue became hot again in 1945. In that year a group of businessmen in Victoria and Vancouver banded together to form Western Match Co. Ltd. which was incorporated as a provincial company on January 11. A plant was built at Esquimalt and production started in September, 1946.

Eddy, in the meantime, had laid plans to meet the new, localized competition. Shipments to Western Canada were stepped up although production was being pushed to the utmost to meet demands from all over the country. Eddy, further, decided to build a plant in B. C.

Actually Eddy could have made things extremely difficult for the new company in another direction. When incorporating, Western's directors apparently did not know that they had taken for the company name a trademark (Western) which Eddy had owned for many years but had never used. Eddy decided, however (as stated in correspondence exhibited to McGregor), that it would "be well to exhibit a broad-gauged spirit of friendliness and co-operation in the early days of the company's history." Eddy told Western that "it is the intention of our company, in a spirit of co-operation, to comply with the Western Match request" (to be allowed to continue using the brand Western Match).

"Loading of the western market, to prevent sales of any competitive Western Matches, continued," says McGregor, "despite increasing difficulties the company found in maintaining large deliveries.

"Western's unknown brand and quality of match had to compete against the well-known brand names and quality of the Eddy products. Other obstacles, however, included the same system of selling which Eddy Match had built up to deal with the competition of Canada Match and Federal Match. This included in Western Canada the program of resale price maintenance as well as the system of special discounts to large buyers."

The end was not long in coming for Western. The company lasted just two and a half years, sold out to Eddy in March, 1949, for $210,000.

And as it was in 1927 so it became again: Eddy alone in the field.

This Was Bennett's Deal With Kreuger

What part did the late Viscount (then Hon. R. B.) Bennett play in formation of Eddy Match Co. Ltd?

It was Bennett who conducted the original negotiations with Ivar Kreuger for disposal of the match division of E. B. Eddy Co. Ltd. to the proposed new company.

Bennett at that time was a director and held majority interest in E. B. Eddy Co.

The negotiations resulted in a signed "Draft Agreement," dated Oct. 4, 1927. The financial provisions of this agreement were later to become regarded as highly beneficial to E. B. Eddy Co. Ltd., and several years later were to be linked with questioning by the Department of National Revenue of valuations shown in the first annual statement of Eddy Match Ltd.

The Bennett-Kreuger agreement and subsequent documents provided for an issue to E. B. Eddy Co. Ltd. of 30,000 6% cumulative preferred shares in Eddy Match Ltd. with par value $100 each, together with 9,600 fully-paid nonassessable common shares, plus a cash payment of $28,000.

Dealing with the transfer of E. B. Eddy assets to Eddy Match, McGregor has this to say:

"There can be no doubt that when Ivar Kreuger negotiated in 1927 for purchase he and his colleagues had already appraised the possibilities of profit should they be able to establish a monopoly position in the Canadian market. This being the case . . . they were prepared to offer substantial financial inducements to the outside holders of tangible and intangible assets in order to secure complete control.

"In so far as E. B. Eddy Co. was concerned, it transferred to the new company equipment at Hull which it carried on its books at a gross value of $281,157.89 and at a depreciated value of $10,011.23. In addition to this it transferred certain inventories, priced at $328,000, and buildings and real estate at Deseronto which were carried on the books of the subsidiary, Dominion Match Co. at a depreciated value of $77,518.97 but which were shown by E. B. Eddy Co. as an investment of $50,000 in that subsidiary.

"Total, gross value of these assets as shown by E. B. Eddy books was $659,157.89."

At the end of the first year of operations (Dec. 31, 1928), Eddy Match showed assets worth $8,581,124.85. When the company was organized, 13 months previously, the land, plant, equipment and machinery transferred to it by its predecessors were taken on the books at a total net value of $3,816,555.23.

The balance sheet showed the following under assets:

Inventories	$ 971,592.35
Accounts Receivable (less reserve of $27,250.09)	293,807.07
Cash on hand or on deposit	428,931.89
Deferred Charges	28,423.62
Land, Buildings, Plant and Equipment (less reserve for depreciation—$80,589.73)	3,899,614.44
Patent Rights, Trademarks and Formulae	358,755.48
Goodwill	2,600,000.00
	$8,581,124.85

It was the item, Land, Buildings, Plant and Equipment—$3,899,614.44, that the Department of National Revenue called into question, claimed it was too high by $1,645,370.03.

This sum, is was claimed, was made up of $790,908.99, representing the amount by which depreciable assets transferred to Eddy Match had been written up over the original cost to their previous owners; and $854,461.04 of accumulated reserves for depreciation which had been on the books of the predecessors and had not been entered in Eddy Match books.

The details, as arrived at by an American firm of tax consultants called in to investigate, were stated as follows:

ASSETS	Alleged Cost to Predecessor	Write up	As taken on Eddy Match Co. books
From E. B. Eddy Co. Ltd.			
Equip. (Hull)	281,158	718,842	1,000,000
Bldgs. (Deseronto)	74,815	185	75,000
From Canadian Match Co.			
Equipment	331,923	71,882	403,805
	687,896	790,909	1,478,805

DEPREC. RESERVE	On books Predecessor	Amount Estimated	As taken on Eddy Match Co. books
From World Match Co.			
Bldgs.	229,841	229,841	None
Equip.	352,648	352,648	None
Dwellings	825	825	None
From E. B. Eddy Co. Ltd.			
Equip. (Hull)	271,147	271,147	None
	854,461	854,461	
Total		$1,645,370	

Reporting on the outcome of this claim, McGregor says:

"The claim by the income tax authorities was eventually settled in 1938 by Eddy Match in effect revaluing its assets for taxation purposes by a downward revision totaling $842,100.17."

Here Are Excerpts From McGregor Findings

Here's a digest of the conclusions reached in the McGregor report on the investigation into an alleged combine in the manufacture, distribution and sale of wooden matches. Following are quotations from the report:

The record of events is essentially the story of successful efforts of an international cartel to establish a monopoly of the wooden match industry in Canada and to prevent, as far as possible, resurgence of any competition.

Before the original merger of competing producers in Eddy Match Co., Ltd., in 1927, there was a period of very sharp competition as rival foreign groups sought to secure positions in the Canadian market against the long-established domestic manufacturer.

In this period there was a general lowering of the price of matches. Once monopoly had been achieved through merging of competing businesses, prices substantially increased.

When competition re-appeared, as new businesses were started, it did not last long because the new productive facilities were soon brought under the same control as Eddy Match.

Moreover it was competition of a limited nature. Eddy Match took steps to induce wholesalers to restrict sales of competitive lines and to keep prices to retailers in line with Eddy prices. When these independent manufacturers quoted lower prices, Eddy Match generally met their competition by introducing special brands, sometimes called "fighting brands," at reduced prices. They were sold only in areas affected by the new competition, and only in limited quantities and for limited periods.

At the same time involved efforts were made to cloak the real situation in the wooden match industry in Canada and to conceal the interrelationships between the Canadian companies controlled by Bryant & May Ltd. (of England) and Diamond Match Co. (of U.S.). These efforts included not only complex corporate arrangements but also repeated directions to officials to conceal instructions which might reveal the actual state of affairs.

The record shows how a series of independent companies have established themselves in the market, have been affected by various practices which have made it difficult for them to continue, and in the end their factories have been acquired by Eddy Match. In one case, the plant was bought before the company got into commercial production; in another case assets were acquired after the company went into bankruptcy.

It is obvious that if the public interest is prejudically affected by agreements which lessen competition unduly, detriment in this respect is increased when lessening of competition is accomplished through formation of a monopoly which achieves complete control of the market and whose governing object has been to eliminate competition and to prevent its reappearance through the entrance of independent companies.

Even during the period when Eddy Match did not completely control the market it has endeavoured in its own interests to impose a policy of resale price maintenance with respect to sales of matches in large areas of Canada. To this end it has sought to induce wholesalers to refrain from handling competing lines unless rival manufacturers agreed to name resale prices, and, in some cases, unless they fixed their resale prices at, or near, those set for Eddy products. Eddy Match frequently threatened to suspend its own resale price policy if jobbers continued to sell the goods of its competitors at prices below the fixed resale prices established for Eddy matches.

The present monopoly position of Eddy Match has been achieved through the deliberate policy of the interests which control it to dominate the Canadian market. It is not a case of monopoly having been thrust upon it through the circumstance that all other entrants withdrew through lack of efficiency or enterprise and left the field to one survivor.

Customs Duties

Customs duties have played an important part in protecting the match industry from foreign competition. Where competition is not effective within the country, either through the establishment of a monopoly or through price agreements, it is of importance to the public that alternative supplies should be available from foreign sources.

Whatever the customs tariff, international cartel arrangements may do much to prevent their importation. It is not to be expected, in the match industry, that the world's largest manufacturers, which control the Canadian companies, would encourage shipments into the Canadian market.

In a competitive industry comprising a substantial number of producers of similar size, some of the methods used by Eddy Match in dealing with the competition of independent firms might have no special significance.

When, however, monopoly power is possessed by one firm or by several firms under the same ownership and management control, methods used to maintain that monopoly and to deal with competition of outside firms take on much greater significance.

In the match industry such methods as fighting brands, low prices in specific areas, confidential discounts and rebates have been employed with the definite objective of preventing the growth of new and independent producers.

Through the establishment of a system of resale price maintenance, competition in price among wholesalers of matches in wide areas has been eliminated. In addition, active steps were taken by representatives of Eddy Match in a number of instances to secure the observance of minimum retail prices where active competition at this level seemed likely to develop.

The use of monopoly power in all these ways clearly removes conditions of free competition from the industry and limits freedom of opportunity to all except those who could challenge that power with equal strength. In this industry, the power which one corporation has deliberately acquired has been actively exercised to limit independent competition when it has developed and to establish monopolistic practices throughout a large part of the trade in matches.

The evidence justifies the conclusion that Eddy Match Co., Ltd., as a merger, trust or monopoly, is a combine within the meaning of the Combines Investigation Act, and that Commonwealth Match Co. Ltd., Canada Match Co. Ltd., Federal Match Ltd., and Valcourt Co. Ltd. have been party or privy to or have knowingly assisted in the formation and operation of the said combine in the manufacture, distribution and sale of wooden matches in Canada.

THE MEXICAN LIGHT AND POWER COMPANY, LIMITED
THE MEXICAN ELECTRIC LIGHT COMPANY, LIMITED
COMPANIA DE LUZ Y FUERZA DE PACHUCA, S.A.

(Pachuca Light and Power Company)

Holders of securities of the above Companies are advised that meetings have been convened for the purpose of considering a Plan of Arrangement dated December 1, 1949, affecting all the securities of the said Companies outstanding in the hands of the public. The meetings will be held at the office of National Trust Company, Limited, 20 King Street East, Toronto, Canada, at the following times:

THE MEXICAN LIGHT AND POWER COMPANY, LIMITED:

5% First Mortgage Bonds	February 14, 1950	10:00 A.M.
5% Second Mortgage 50-Year Bonds and Debenture Stock	February 15, 1950	2:30 P.M.
6% Cumulative Income Debenture Stock	February 16, 1950	10:00 A.M.
7% Cumulative Preference Shares	February 16, 1950	2:30 P.M.
4% Cumulative Redeemable Second Preference Shares	February 17, 1950	10:00 A.M.
Ordinary Shares	February 17, 1950	2:30 P.M.

THE MEXICAN ELECTRIC LIGHT COMPANY, LIMITED:

5% First Mortgage Bonds	February 14, 1950	2:30 P.M.

COMPANIA DE LUZ Y FUERZA DE PACHUCA, S.A.:
(Pachuca Light and Power Company)

5% 50-Year First Mortgage Bonds	February 15, 1950	10:00 A.M.

Copies of the Plan of Arrangement, of an explanatory circular containing information and financial statements and of the notices of meetings, forms of proxy and instructions as to voting may be obtained on application to any of the following:

The Mexican Light and Power Company, Limited, 25 King Street West, Toronto 1, Ontario, Canada;

The Mexican Light and Power Company, Limited, 2a Calle de Gante No. 20, Mexico, D. F., Mexico;

National Trust Company, Limited, 20 King Street East, Toronto 1, Ontario, Canada;

Binder, Hamlyn & Co., River Plate House, 12 & 13 South Place, London, E.C.2., England;

Comptoir National d'Escompte de Paris, 14, rue Bergere, Paris, France;

Banque de Bruxelles, 2 rue de Regence, Brussels, Belgium;

Banque Internationale a Luxembourg, 2 bis, Boulevard Royal, Luxemburg, Luxemburg.

Formal notices of the above meetings have been mailed to all registered holders of the respective securities (bonds, debenture stock and shares) and to all persons believed from information in the possession of the Companies to be holders of bearer bonds. Formal notices of the bondholders' meetings have also been published in the press. Any security holder who does not receive a correctly addressed notice within a reasonable period after the first publication of this notice is invited to forward his name and correct address with particulars of his holdings to National Trust Company, Limited, or to Binder, Hamlyn & Co. at the addresses given above in order that the registers and mailing lists may be corrected.

Holders of bearer bonds desiring to attend the respective meetings in person or by proxy must produce thereat either their bonds or a voting certificate issued by a bank or trust company in accordance with instructions which may be obtained at any of the places mentioned above.

Registered holders of securities may attend the respective meetings in person or by proxy. Holders of securities registered in names other than their own should either arrange with the registered holder to complete and lodge a proxy or have the securities transferred into their own names, in order that such securities may be voted at the respective meetings.

Only persons who are themselves holders of securities of the same class may be appointed as proxies by any security holder.

Toronto, Canada, December 30, 1949.

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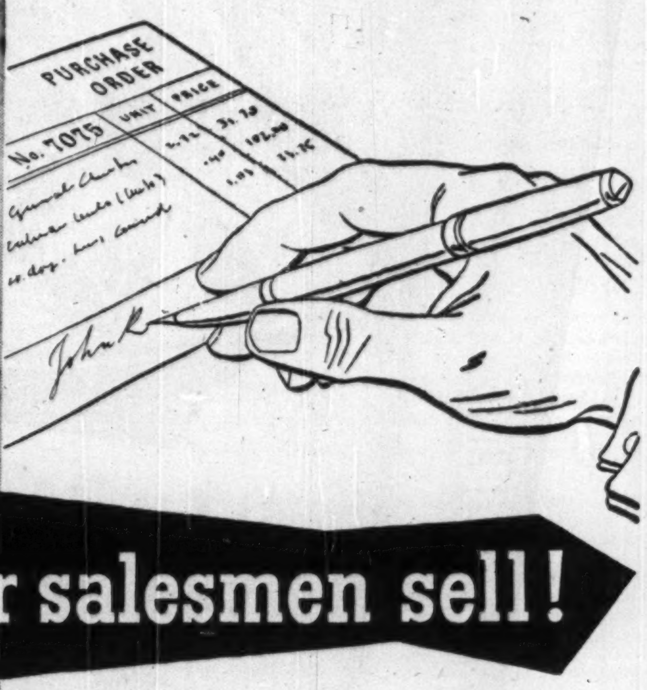

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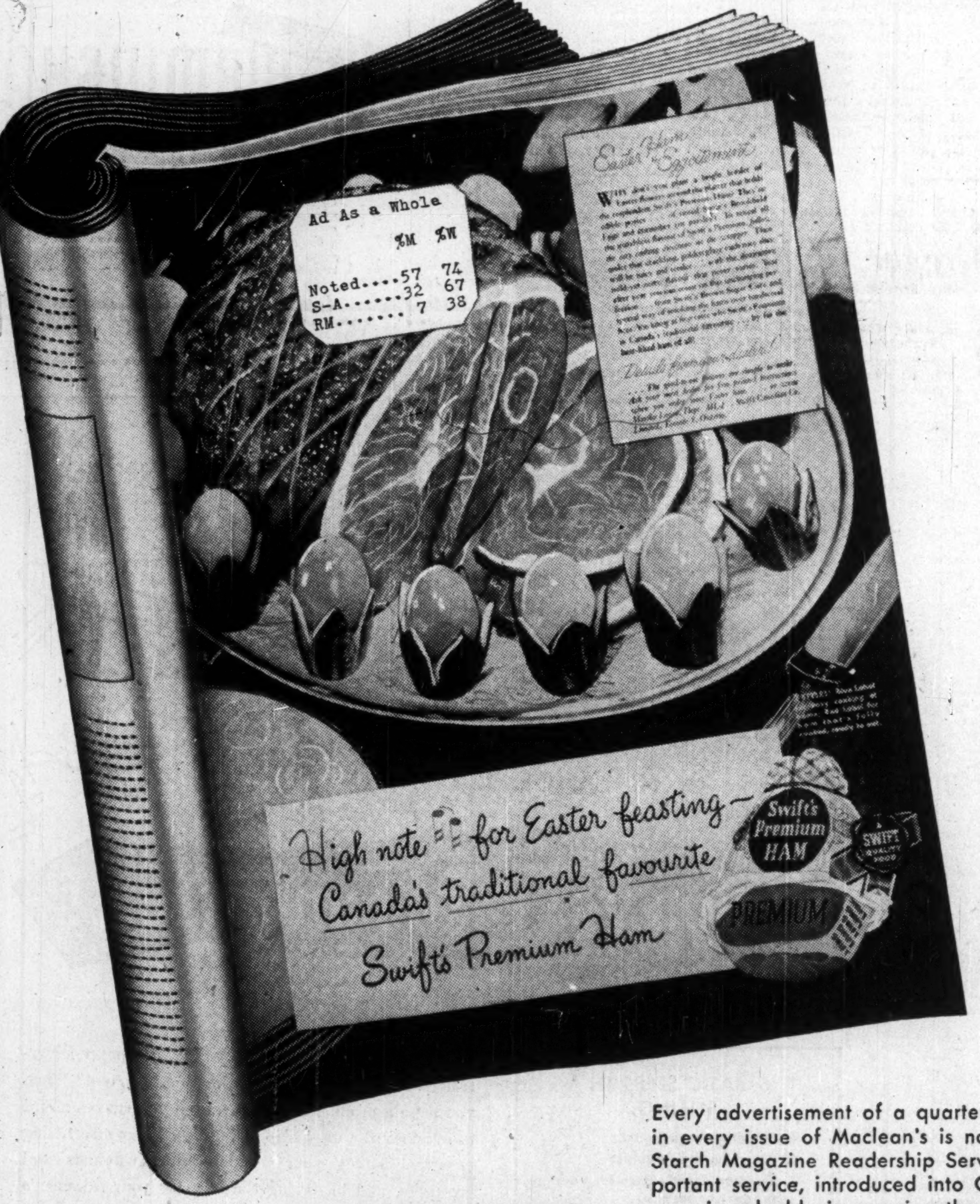

Ad As a Whole

	%M	%W
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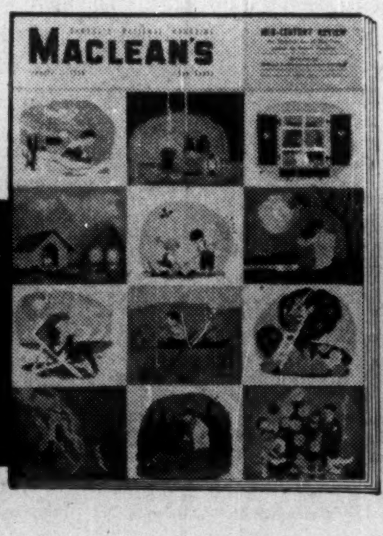

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How Are Chances Now for New Pact on Constitution?

Does Bonne Entente in Federal-Provincial Talks and Death of Compact Theory Open Way for Reform Agreement—Or Will It Founder on Provincial Tax Authority?

By KENNETH R. WILSON

Death of the "compact theory" of Confederation and a new, unexpected "bonne entente" in respect of constitutional reform, highlighted last week's historic federal-provincial conference.

At the same time a red light flashed, warning that provincial tax authority may yet prove the real roadblock to constitutional reform.

The conference reached unanimous agreement on the framework around which constitutional amendment is now to be discussed. This was possible largely because trust and good will prevailed.

This doesn't mean that any questions of jurisdiction have been decided; only that all provinces have agreed that there are a number of definite "pockets" into which various contentious issues must now be fitted.

The tussle which lies ahead for 1950 is to get agreement as to which issue fits into which pocket.

One thing at least the provinces got through their heads last week. They realized their vulnerability. As newcomer Joseph Smallwood, speaking for Newfoundland, exclaimed:

"We feel, but only since 11 o'clock today, that something ought to be done that will remove from the Parliament of Canada the right, which it might perhaps never exercise, but which it apparently possesses, to change the constitution in matters affecting the provinces without the permission of the provinces."

One by one, the premiers expressed concern about Ottawa's action in transferring constitutional authority from Whitehall to Parliament Hill. This transfer was intended to cover federal matters only. But the provincial premiers thought they saw in the language of the address to London a threat to their own position.

What really alarmed the provincial premiers was their realization of what an "unfriendly" federal government with centralizing and revolutionary ambitions could do to the provinces.

The British Government still had to approve any change in the BNA Act affecting the powers of the provinces. But the provincial premiers saw clearly that the British Government was, in this capacity, nothing but a rubber stamp; that it would not dare to refuse to make the changes requested by Canada, even though those changes might be opposed by some or all of the provinces and might encroach seriously on provincial "rights."

That is one important reason why the compact theory of confederation was killed.

Compact Theory Blasted

Said Premier McNair who himself had first raised the issue in 1935:

"There has been much controversy in this country over the question as to whether the constitution is a pact. With all respect I am constrained to say that in my view the compact theory represents an obsolete approach to the subject. The question is not what the constitution may have been; rather what the constitution should be.

"The present arrangements, in my view, afford no real protection to the provinces. We must face up realistically to the fact that so long as the constitution remains a legislative enactment of the Parliament of the United Kingdom, it will be amended at Westminster as a matter of routine at the request of the Canadian Parliament. However well the compact theory may sound in political argument, it affords no real basis of protection for the provinces, in my view."

But there was another piece of evidence last week that the compact theory of confederation was dead.

It was this: the premiers, including the chief whooper-up of the compact theory, Duplessis, agreed that there were some matters which concerned the provinces little if at all; that there were other subjects where the provinces were very much concerned.

In other words, the conference agreed that the subjects dealt with in the BNA Act fell into several different categories. That of course blasts the compact theory because under it the provinces must claim that everything in the BNA Act is their special concern.

What happens now?

A continuing committee of the conference, under chairmanship of Hon. Stuart Garson, has been set up to receive the considered views of each government as to what provisions go into which "pocket." After that is done, the conference will reconvene to harmonize the various viewpoints.

Significantly, Premier Duplessis invited and urged the conference to reconvene in Quebec City. This in itself is looked upon as a hopeful augury. The invitation is almost certain to be accepted.

The Ottawa hope is to reconvene the conference promptly after the last provincial submission has been received and circulated and to finish the job prior to the tax conference scheduled for next autumn. Chances of accomplishment at that subsequent conference will be much greater if the matter of constitutional reform is settled first.

And last week's meeting showed that the two matters are very closely related.

Central Issue on Quebec?

Amendment of provincial tax powers, if not complete fiscal autonomy for Quebec, seems now most likely to emerge as the central issue in this quest for constitutional reform.

Premier Duplessis raised this matter just a few minutes after the conference opened for business. He reiterated his view that Canada was "a federation of autonomous provinces." He also emphasized the Quebec view:

". . . that provincial autonomy cannot exist without definite and indispensable fiscal powers, and it is useless to have a declaration of rights if at the same time there is no financial and fiscal power to exercise those rights."

Later in the same meeting, Premier Manning affirmed "that there is little practical value in a right or a constitutional power being assigned to a legislature if the wherewithal to discharge its responsibility under that provision is not also provided with that responsibility."

Prime Minister St. Laurent and the provincial premiers agree on an agenda for study. Left to right: Premiers Ernest Manning (Alta.); J. Walter Jones (P.E.I.); Douglas Campbell (Man.); Angus Macdonald (N.S.); Leslie Frost (Ont.); Prime Minister St. Laurent; Premiers Maurice Duplessis (Que.); John McNair (N.B.); Byron Johnson (B.C.); Thomas Douglas (Sask.); Joseph Smallwood (Nfld.).

But if Premier Duplessis holds out either for fiscal autonomy or a strengthening of present provincial taxing powers, he will be in a position where he can't reach his goal without constitutional amendment.

So when the chips are down later this year, the real issue in our constitutional discussions may be to find a formula by which the fiscal claims of a province such as Quebec may be resolved.

In effect, this means setting a "price" at which these claims may be translated into constitutional reality.

There's another important possibility which emerged in concrete form last week: the idea of constitutional amendment to permit the provinces or the central authority to delegate their powers.

At present this authority to delegate powers does not exist in constitutional form. The nearest approach is in matters of taxation and marketing where various devices have been worked out to overcome this lack. In taxation, seven provinces have agreed to delegate or "rent" certain tax fields to Ottawa for a stated period of years. In marketing, various schemes like the coarse grains legislation have been devised to transfer certain powers from one jurisdiction to another.

Nova Scotia raised this question of "delegation" in its brief to the Rowell-Sirois report. It was the first province to raise the question last week. It recalled that the Rowell-Sirois Commission had considered constitutional amendment as outside its terms of reference, but had concluded that "a general power of delegation for both the Dominion and the provinces should provide a measure of flexibility which is much needed in our federal system." Several other provincial premiers spoke strongly in favor. In the final resolution, it was agreed that "the subject of delegation of powers should be placed upon the agenda."

The resolution on which provincial briefs are now to be based is understood to be in large measure the work of the Manitoba delegation. It was drafted Wednesday evening prior to the meeting of the attorneys-general Thursday morning.

The official instructions to the committee were that it should use the proposals of the Dominion-Provincial Conference of 1935, supplemented by additional proposals made initially by Premier Macdonald and Premier Frost in their official presentations last week. The Manitoba group went to work on this material and made a draft for the committee. The committee worked over every word and phrase; made many changes.

The Dominion-Provincial conference of 1935 was convened in Ottawa at the end of that year by Prime Minister Mackenzie King six weeks after he had been returned at the polls and had defeated Bennett.

This conference was called to discuss urgent matters affecting unemployment, taxation, social services, etc. in the wake of depression. Earlier there had been a report by a special committee of the previous House of Commons which had heard expert testimony on the constitutional amendments Out of these hearings had come suggestions on procedure for amendment by Ernest Lapointe.

The Lapointe committee foundered on the sole objection of Premier McNair of New Brunswick who vetoed the whole proposal. Nine other representatives (eight provinces and the Federal Government) had approved at that time the idea of amendment. It was the 1935 procedure for amendment, which was recalled to the provinces by Prime Minister St. Laurent in September, 1949, when he announced his plan for constitutional reform.

Another important question raised initially by Premier McNair and advocated by most of the premiers was the desirability of a new Canadian constitution controlled entirely by Canada.

Mr. McNair went into some detail as to how he believed this could and should be done. He would replace the present BNA Acts (and other constitutional acts) by a new treaty to be entered into by the Federal Government, the provinces and the United Kingdom.

Although this idea was continually referred to during the conference last week, it is not thought that any steps will be taken in this direction at least until the problem of amendment itself is agreed upon. As one authority stated to The Post:

"This is purely sentimental and formal. It involves no changes in substance. It is easier to get agreement on this idea than to get agreement on what the new constitution itself would or should be. Our first job is to agree on the fundamentals of reform. Later, we should perhaps consider tidying everything up in a purely Canadian document."

What Prime Minister and Premiers Had to Say on the Issues

Here are excerpts from the addresses of Prime Minister St. Laurent and the provincial premiers at last week's federal-provincial conferences:

PRIME MINISTER LOUIS ST. LAURENT

We feel it is desirable to reach agreement on a procedure by which such changes (constitutional changes of concern to both federal and provincial authorities) can be made right here in this country by some process over which the Canadian people can exercise control.

This conference, therefore, has three principal purposes all of which are related and yet each of which is in some respects, distinct from the other. These three purposes are:

(1) To complete the process of placing within Canada the power to amend our constitution;

(2) To provide safeguards for the historic minority rights incorporated in the constitution;

(3) To establish adequate guarantees of the federal character of the constitution by providing for the participation of both federal and provincial authorities in the appropriate amending procedure.

* * *

PREMIER BYRON JOHNSON, British Columbia

We accept the principle that we should have power to amend our own constitution. Acceptance of that principle, however, creates a very difficult and complex problem—the devising of a method by which we can achieve our purpose. It would seem to me that the formula which almost secured unanimous agreement in 1935 might well be taken as a starting point for seeking a new method. In dealing with so important a matter as this I do not think we should proceed too hastily lest in doing so we defeat our purpose.

* * *

PREMIER ERNEST C. MANNING, Alberta

We urged the deferment of the 1949 amendment passed at the last session of the House of Commons, until this round-table discussion had taken place.

Under the 1949 Amendment the Dominion Government could amend the BNA Act in a manner that would impose responsibilities on the provinces in the field of agriculture that the provinces could not implement; or the Dominion could take away from the provinces completely any jurisdiction in the field of agriculture. This same situation could well apply in public health, social services and numerous other fields where both the provinces and the Dominion have jurisdiction.

There is another vital aspect to this question. Should any of the provinces, in exercising their legal constitutional rights referred to by the Prime Minister, enact some legal legislation that might be fully legal and constitutional, but which might meet with the disfavor of the Dominion authorities, the Dominion Government could disallow such legislation.

I suggest in the matter of disallowance that in a broader discussion of the whole question consideration should at least be given to the question as to whether or not the right of disallowance and the right of withholding assent should not be abolished entirely.

There is need of a full examination being made into the advisability of changes or modifications in the present allocation of constitutional powers as between Dominion and provincial spheres.

The field of fiscal policy is perhaps the outstanding example. There is little practical value in a right or a constitutional power being assigned to a legislature if the wherewithal to discharge its responsibility under that provision is not also provided along with the responsibility.

* * *

PREMIER THOMAS C. DOUGLAS, Saskatchewan

While Saskatchewan is prepared to cooperate in every way possible in working out an amending procedure, we do not propose to be diverted from what is still the primary responsibility of government, namely, caring for the social and economic needs of our people.

Thus far, we have had little indication that the Federal Government proposes to come to grips with these problems in the immediate future.

It would be most unfortunate if it were assumed, or if the impression were created, that any reallocation of responsibilities must await the evolution of a new technique of amendment. We are still convinced that the social security proposals of 1945 could have been implemented, and still can be implemented, without waiting for the time when we shall have worked out a satisfactory amending procedure for the constitution.

We want to know whether or not the Federal Government intends to delay its assumption of these responsibilities until all the provinces have signed tax rental agreements.

If it is the thought of the Prime Minister and of the Dominion Government that the BNA (No. 2) Act, 1949, will permanently mark the area of unilateral action by the Dominion Parliament, then that is unacceptable to us. We do not like it either in the form or substance.

There has been some reference to the compact theory of confederation. The Saskatchewan representatives have repeatedly stated their opposition to the compact theory as a general proposition, but have a great deal of sympathy for the considerations that motivate those who hold this point of view.

We take it that they are concerned lest a constitution which can be too easily changed should result in the loss of minority rights and basic freedoms. It seems to us that this difficulty can be overcome by having certain entrenched clauses which can only be changed with the consent of the House of Commons and every province in Canada.

We believe that these entrenched clauses should include the existing protection afforded language, education, solemnization of marriage, the principle of representation by population, and the maximum length of the term of parliament.

We would urge that immediate steps be taken to place in the hands of the Federal Parliament those powers necessary for the execution of an orderly marketing policy, at least with respect to those primary products most affected by conditions of foreign trade and commerce.

We would press for the amendment which would give the Federal Government at least concurrent power in the field of labor legislation.

We feel justified in asking, as an interim measure, that in keeping with the Dominion's proposal of 1945, a constitutional amendment be secured enabling the provinces to levy indirect sales taxes. Pending more basic adjustments, this is at least a minimal measure; for the processes of government and the financing of its services cannot wait forever upon the unfolding of history.

We believe that the Dominion-provincial Conference with a permanent secretariat, should be a regular part of our governmental machinery.

* * *

PREMIER DOUGLAS L. CAMPBELL, Manitoba

Manitoba believes the time has arrived when we should settle upon a method of procedure by which we in Canada can make such changes in our constitution as we may deem to be in the public interest.

Whatever method for amendment is to be adopted it should have incorporated in it some provision for securing the consent of the people of Canada; that consent being expressed either by elected representatives or by the people themselves.

* * *

PREMIER LESLIE M. FROST, Ontario

The method should be:

(a) elastic enough to meet the needs of a growing and developing nation;

(b) difficult enough to discourage indiscriminate tampering with our constitution;

(c) rigid enough to provide ample safeguards to protect minorities and fundamentals and the federal system under which we have developed so satisfactorily during the last 83 years.

Provincial powers of amendment are comparatively limited, while the powers obtained by the federal authority under the BNA Act, 1949, No. 2, are exceedingly wide—I think much wider than is generally realized. Although this power of amendment relates to subjects which are federal in nature, in many cases revisions made under this amendment could have very wide provincial effects, Should not, then, amendments to the constitution in these important matters be done by machinery more comprehensive than merely passing an act of the Parliament of Canada?

(Later in the conference, Mr. Frost made specific suggestions as to various constitutional provisions. As a matter "purely for discussion" he suggested that "the legislative jurisdiction of the provincial legislatures" be considered an "entrenched clause" requiring unanimous consent if it were to be amended This would mean that the entire Section 92, covering all property and civil rights, direct taxation, etc. would be subject to the veto of any individual province in order to be amended.)

* * *

PREMIER MAURICE DUPLESSIS, Quebec

Quebec is completely in favor of a Canadian constitution decided upon in Canada by Canadians and for Canadians, and amendable through appropriate constitutional and fair methods. We are most anxious to co-operate in finding and applying such methods of amending the Canadian constitution for the real and lasting benefit of the central and provincial authorities.

I firmly and definitely believe that Canada is and should always be a federation of autonomous provinces. Apparently there seems to be agreement on all sides on this point—but in fact this is not so. Some people declare themselves in favor of provincial autonomy but do not seem to agree when we contend that provincial autonomy cannot exist without definite and indispensable fiscal powers and that it is useless to have a declaration of rights if, at the same time, there is no financial and fiscal power to exercise those rights.

* * *

PREMIER JOHN B. McNAIR, New Brunswick

The constitution should be domiciled in Canada; that so far as it has been, or can be, reduced to written form, it should be a purely Canadian instrument, subject to no control outside this country. This view however is predicated upon the assumption that there should be adequate control within Canada

In advancing this latter suggestion we have in mind the present insecurity of the provinces, and the need of protecting more adequately the rights, privileges, immunities and powers intended to be secured to them when our federal system of government was established in 1867.

Present arrangements in my view afford no real protection to the provinces. We must face up realistically to the fact that so long as the constitution remains a legislative enactment of the Parliament of the United Kingdom it will be amended at Westminster as a matter of routine at the request of the Canadian parliament.

The constitution, which I suggest should be set up on Canadian foundations, should rest on a new agreement between the Dominion and provinces and hereafter be supported on the basis of the sanctity or inviolability of contract.

To evolve a new constitution free from the difficulties and hazards now prevailing, different methods of procedure may be open to us. At present the following method commends itself to me: the initial step would be a conference of representatives of the Dominion and of the provinces to formulate a proposed new constitution. This present conference might itself well undertake this task. But since the drafting of a completely new constitution would probably require a very long period of time, the new constitution might well consist of the substance of the BNA Act, 1867, and other relevant statutes, with such necessary changes as might immediately be agreed upon, but in any event including a procedure for amendment thereof in Canada.

When agreement had been reached on the draft the Dominion and the provinces would, in conference, determine the nature of appropriate legislation to be sought from the parliament of the United Kingdom to authorize and empower the Dominion, the provinces and possibly the United Kingdom to enter into a treaty, after approval of the proposed new constitution by the parliament of Canada and the legislatures of the several provinces.

* * *

PREMIER ANGUS L. MACDONALD, Nova Scotia

We are concerned here with methods, rather than the substance of amendments. Nova Scotia assumes that the conference will not attempt to draft an amending procedure, but will explore the views of all concerned in the effort to secure a basis of agreement in general terms capable of being put into the form of a draft statute after further discussion by a committee appointed by this conference.

(Premier Macdonald then outlined in detail under seven headings the position of Nova Scotia as to the precise groupings it favored on the various provisions of the Canadian constitution. He elaborated on the various sections of the BNA Act as to what procedure for amendment he would recommend in each case. He also urged a constitutional amendment to permit delegation of legislative powers as between the provinces and the federal authority.)

* * *

PREMIER J. WALTER JONES, Prince Edward Island

The power of amendment should be vested in the Parliament of Canada, subject to certain limitations where provincial rights are concerned and more specific limitations where fundamental rights are affected.

In all matters it is suggested that a simple majority in all legislatures be accepted as sufficient to express the consent of the provinces concerned.

When agreement has been reached, and we are convinced it can be attained if the same spirit of co-operation and statesmanship is shown here as inspired the original founders of this confederation, then the approval of all the provincial legislatures should first be obtained before the British Parliament should be asked to amend the British North America Act in accordance with the formulae for amendment are concluded. A further section should be inserted in the amending act stating that no alteration or change in the method of amendment shall be valid unless assented to by all the provinces.

* * *

PREMIER JOSEPH R. SMALLWOOD, Newfoundland

We are just a little shocked to find that we have abandoned our ancient isolation to join this Canadian nation to find that it has not a constitution of its own, but one that was given to it by the parliament of the United Kingdom. Only in recent weeks did the Parliament of Canada acquire the right to amend that constitution in particulars affecting the federal field. With even more shock did we learn that the Federal Parliament has at this moment the right to request the parliament of the United Kingdom to amend the constitution in matters affecting the provincial field.

We feel that something ought to be done that will remove from the Parliament of Canada the right, which it might perhaps never exercise but which it apparently possesses, to change the constitution in matters affecting the provinces without the permission of the provinces. For example, in Newfoundland we have a system of education which is rather different from that of any other province. We want to be very sure that that system remains.

Here Are the Proposals for Discussion

Here are details of the agreement reached at last week's federal-provincial conference:

1. The provisions of the BNA Acts, 1867-1949 (and other constitutional acts) to be grouped under six heads. Each government to submit its views as to the way in which provisions of these various acts are to be distributed as between these six categories. These categories and the agreed procedure in each case are:

   (a) Provisions which concern parliament only. Amendment of these provisions shall be made by act of the Parliament of Canada.

   (b) Provisions which concern the provincial legislatures only. Amendment shall be made by an act of the provincial legislature.

   (c) Provisions which concern parliament and one or more but not all of the provincial legislatures. Amendment to be by act of parliament of Canada and an act of the legislatures of each province affected.

   (d) Provisions which concern Parliament and all the provincial legislatures. Amendment to be by an act of the Parliament of Canada and acts "of such majority of the legislatures and upon such additional conditions, if any, as may be decided upon."

   (e) Provisions "concerning fundamental rights—as for instance but without restriction, education, language, solemnization of marriage, administration of justice, provincial property in lands, mines and other natural resources—and the amendment of the amending procedures." Amendment to be by an act of the Parliament of Canada and acts of the legislatures of all the provinces.

   (f) Provisions which should be repealed.

2. The process of amendment in respect of categories (c) to (f) to be capable of being initiated by one or more of the provincial legislatures or by the parliament of Canada.
3. The subject of delegation of powers should be placed on the agenda.

The 1935 Proposals

Here are details of the proposals made at the 1935 federal-provincial conference on amendments to the constitution. No agreement was reached on these proposals.

1. That in respect of matters concerning the central government only, amendments might be made by passing an Act of Parliament.
2. In matters concerning the central government and one or more but not all the provinces, the amendment might be made by an Act of Parliament and the assent of the legislative assemblies of each of the provinces affected.
3. In a large number of matters concerning the central authority and all the provinces, the amendment might be made by an Act of Parliament and the assent of the legislative assemblies in two-thirds of the provinces representing at least 55% of the population of Canada; but—that there be a certain number of "entrenched clauses" which could not be dealt with except by an Act of Parliament and the assent of the legislative assemblies of all the provinces.

Should Cities Annex Rural Suburbs?

Toronto Problem Typical of Headaches Ahead Elsewhere

Many Canadian communities are suffering from "growing pains." Business, industrial and residential expansion have pushed them to their boundary limits. Most new homes are being built outside the city limits, bringing new problems of schools, transportation, sewers.

Here is an analysis of Toronto's problem, typical of community growing pains, with 32% of the area population now living outside the city limits as compared with 13.4% in 1921.

TAXATION FOR EDUCATION
AS PERCENTAGE OF TOTAL TAXATION

	1939 %	1941 %	1943 %	1945 %	1947 %	1948 %	1949 %
Toronto	33	33	36	31	32	31	32
East York	41	46	46	37	38	38	43
Etobicoke—							
Alderwood	32	39	48	43	40	43	44
Kingsway-Lambton	31	30	36	34	34	35	34
Forest Hill	26	35	39	33	38	39	44
Leaside	33	40	45	47	46	46	51
Long Branch	38	49	50	41	45	43	44
Mimico	46	47	46	42	33	38	36
New Toronto	34	38	35	29	29	28	31
North York (School Area No. 1)	39	39	37	25	31	36	51
Scarborough (School Area No. 2)	28	40	35	38	38	40	39
Swansea	27	27	29	20	33	35	36
Weston	41	41	43	27	40	38	39
York	37	40	41	35	37	38	37

(Source: Tax Bills of Municipalities).

Toronto and its 12 neighboring municipalities this week took what may be a long step forward in deciding the future setup of the metropolitan area.

Under the watchful eyes of Premier Leslie Frost and Municipal Affairs Minister George Dunbar, the mayor and reeves of the 13 organized towns and townships decided to probe further into the possibilities of a solution for their problem. They're going to draft recommendations.

The little conference had a big aim and an even bigger obstacle.

The aim: unification, whether by co-operation, amalgamation or annexation.

The obstacle: Almost unanimous opposition by suburban administrations to any scheme of integration which might threaten (a) loss of local autonomy, (b) concession of authority over local public spending, (c) disappearance of township, town or village councils, and something like complete submergence of local politics.

But Toronto's central problem presses equally on its suburbs. Canada's looming "big city" remains a loose agglomeration of partly rural areas. It has no working basis for amortization or expansion of essential services; no detailed scheme for equitable sharing of public service costs.

Focal problem in Toronto, as in many another Canadian metropolitan area, is a continuing outward flow of population from the central city to suburbs.

How mounting migration in Canada's key cities "from downtown to the outer hills" is boosting costs of suburban school, water, sewage, pavement, police and fire services, is told vividly in Toronto area's first over-all study of its joint administrative headache—an initial report issued recently by Toronto Civic Advisory Council's special committee on metropolitan problems.

Here's the measure of the migration in the Toronto area.

POPULATION MOVEMENT
***Toronto City to Suburban Municipalities, 1921-48**

Year	City	12 Suburban Municips.	Total	Outside City %
1921	522,942	81,192	604,134	13.4
1931	627,231	176,092	803,323	21.9
1941	655,751	236,428	892,179	26.5
1948	669,589	316,831	986,420	32.1

(*Source: Municipal Assessors' reports.)

For nearly 30 years, the report says, growth of population in the suburbs has been faster than in the central area. During the decade 1931-40, 71% of the increase in Greater Toronto population has settled in the suburbs. Of the population increase since 1939, much greater than in the 1930's, 62% went to the suburbs, only 38% made their homes in Toronto proper.

The suburban "settlements," says the Advisory Council report, are "faced with more than ordinary difficulties in providing water, sewage and garbage disposal, police and fire protection and educational facilities . . . The rate of expansion is more rapid than that in the typical single municipality.

"One of the most difficult problems in recent years has been the necessity for substantial expansion of educational facilities in suburban municipalities which are in no position to meet such demands adequately with present financial resources.

"The economic interdependence of the entire area is such that transportation facilities must be stepped up at a much faster rate than the growth of population. Demands for such service are by no means confined to the city proper, but to a disproportionate degree the costs of such transportation improvements are likely to be borne by the taxpayers within the city, because the greatest financial cost is always at the hub of a transportation system."

Too Many Governments For Good Planning

In the field of community planning, multiplicity of local governments in the metropolitan area presents the sharpest difficulties.

Says the report:

"These municipalities all seek industrial or commercial expansion while none is eager to provide for houses unless they are of a high assessable value. Under these conditions, planning for orderly growth and a balanced relationship of industrial and residential areas is extremely difficult.

"Implementation of the plans advocated by formal planning boards is much more difficult in a divided metropolitan area than in a separate single municipality.

"The principal anomaly in the present structure of planning in the Toronto metropolitan community is that for the most part planning boards have been appointed under the Planning Act only in the large, less-densely populated semi-rural townships. The more densely populated urbanized and industrialized municipalities seem to have accepted their relatively built-up status as a reason to delay action on community planning. The implication is that community planning serves no function in an area in which there is little vacant land."

The study also found "extremely slow progress in planning on the part of those communities with planning boards, as is evidenced by the filing of only two plans during the past three years. Not only does there seem to be inadequate provision for over-all and long-range planning in the metropolitan area but immediate requirements are met slowly in some municipalities and seem completely neglected in the majority."

Problem of Services Hits Housing Plans

Efforts to encourage co-operative arrangements in the field of housing provision between municipalities in the metropolitan area have to date failed. At the heart of this problem is the cost of municipal services, particularly education, in relation to the tax revenues derived from new houses.

"This problem becomes unduly difficult of solution at the municipal level in a period of very rapid expansion of population and residential development. Moreover, in a metropolitan area, where the individual municipalities are not fully balanced communities, the cost of servicing new housing developments is not viewed in relation to the addition of commercial and industrial properties. For each new housing requirement the municipality does not necessarily acquire the corresponding expansion in industrial and commercial properties, since these may take place in an adjacent municipality outside its jurisdiction.

"With few exceptions, municipalities in the Toronto metropolitan community have found it increasingly difficult to service the relatively large number of new houses built within their boundaries during and since the war. Because of the problems facing all municipalities and the particular difficulties that confront metropolitan municipalities, in many cases some of the basic municipal services have never been provided.

"The most significant and costly demand has been for educational facilities. Although the provincial government makes annual maintenance grants toward educational costs of every municipality and assists in capital expansion, municipal taxes have increased disproportionately in most municipalities in the metropolitan area of Toronto as a reflection of rising educational expenditures. As a result some municipalities are reluctant to encourage large-scale housing development within their boundaries, and are passively discouraging such development.

"The current shortage of houses aggravates the perennial need for low-rental housing. A consideration of income distribution in the area, based on 'Taxation Statistics,' published by the Department of National Revenue in 1948, indicates that less than 10% of the heads of families can afford to rent or buy new housing at present costs. This does not take into account total family earnings nor capital accumulation which, of course, would increase the proportion that can obtain satisfactory accommodation. Additionally there are other considerations which make this only an approximate analysis although a valuable one.

"Provincial and federal action is being sought to improve housing without the burden falling entirely on the municipalities. At the same time, however, the demand for improved housing as a social objective still has to be met substantially by the municipal taxpayer, the property owner and indirectly by the tenant.

"The last comprehensive residential housing quality survey made for the Toronto Planning Board in 1943 indicated that 2% of the total residential area of the city was blighted. The population of blighted sections needs rehousing, and this cannot be done on an economic basis. If the city is to embark on a further program of publicly assisted housing an up-to-date study will have to be made.

"Whatever the number of publicly assisted dwelling units which may be required such schemes are likely to be subsidized largely by people no better off than those helped. In relation to the need for rental housing, it was found that almost no housing accommodation is normally rented in the metropolitan area outside the city proper. In every other municipality in the metropolitan area the proportion of owner-occupied homes is over 80% and in some cases nearly 100% of the entire stock of housing. The national average is about 55%."

High Tax Burden For Education

Expenditures on education in all municipalities in the Toronto metropolitan community have increased greatly during the past decade and particularly in the postwar period.

The study committee undertook to compare school costs in two ways—first, the cost per pupil; second, the tax burden per $1,000 of equalized assessment. Where the equalized assessment is low the expenditure per pupil is usually also low (implying a minimum standard of service) though the tax burden for school purposes is high.

Net municipal public school expenditure per pupil in 1946 (that is after deduction of Provincial grants) varied in the traditional 13 municipalities of the metropolitan area from approximately $50 to $140. In the case of secondary schools the range of variation in 1946 was between approximately $35 to $191. These facts would appear to be basic evidence of a widely divergent standard of education in the metropolitan community.

The study committee is "impressed with the fact that the variation in school costs and school expenditures shows that the cost of education is falling more heavily on those areas with less ability to pay. This committee believes education in public and high schools is a matter of more than local concern and, therefore, there is justification for seeking some means of equalizing school opportunities and the burden of school taxes.

"The tremendous importance of rising educational expenditures in most municipalities in the metropolitan area may be visualized clearly in an examination of the per cent of total taxation devoted to educational purposes in 1948. In the City, 31% of general tax revenues went to schools. Throughout the metropolitan area, the proportion varied from 28% in New Toronto to a high of 57% in Cooksville.

"Increased requirements for education were the most important reason for even higher total mill rates in most of the municipalities in the metropolitan community for 1949. There seems no reason to believe that this trend will not continue for a good many years.

"In the matter of schools, some factors have appeared which are incapable of being tabulated or presented statistically. Certain areas are earmarked for industry and others for retail trade and still others for residential use. This has the effect of compelling one school administration body to finance its program almost exclusively from taxes on workingmen's homes, whereas an adjoining school administrative area will have a large industrial assessment.

"The action of a municipal council in passing bylaws fixing minimum sizes for houses for various areas within the municipality has the same effect.

"Artificial barriers, for example, municipal boundaries, are interfering with the best location of schools and with the free movement of pupils to classroom space which is at present available."

How school spending varies among the 13 municipalities is shown in the following table:

PUBLIC SCHOOL SPENDING AND TAXES, 1946

Municipality	Net Municipal Expenditure* per Pupil $	Public School Taxes per $1,000 of Equalized Assessment $
Toronto	90.90	17.57
East York	65.89	29.98
Etobicoke	58.90	21.39
Forest Hill	139.58	14.96
Leaside	88.02	20.01
Long Branch	53.82	32.86
Mimico	67.56	25.44
New Toronto	55.43	15.17
North York	70.94	21.66
Scarborough	45.91	26.75
Swansea	94.28	15.65
Weston	76.26	21.74
York	63.25	27.07

Source: Report on Education, Mimico Inter-Urban Committee, 1948.

(*Total public school expenditures less provincial grant for public schools.)

How Situation Today Affects Services

Here is what the committee said on other points:

"The fundamental question to be faced in considering sewage disposal and water supply in the metropolitan area of Toronto would seem to be that of providing large scale installations on some appropriate financial basis and without destruction of recre-

(Continued on page 19

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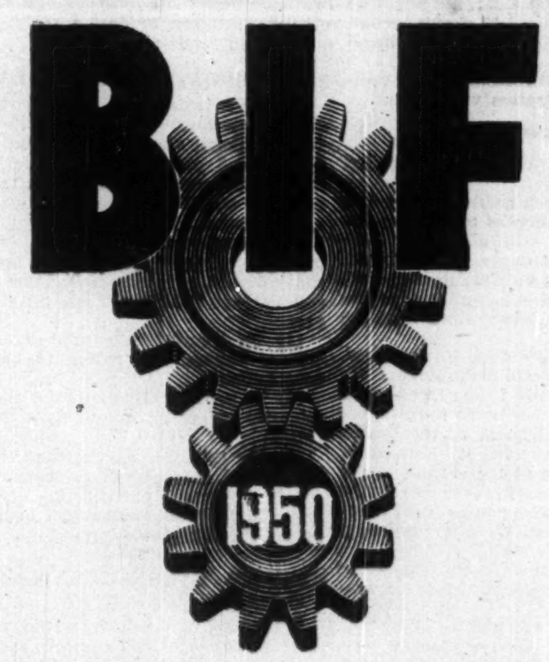

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Problem of Toronto's 'Growing Pains' And How It Affects Suburban Districts

(Continued from page 18)

ational facilities. In this connection it is important to recognize that those municipalities with inadequate services would likely expect to be brought up to the urban standard in the event that some form of metropolitan government is created.

Police and fire:

"The most significant finding on police protection is the fact that unified command is lacking for the large and small police forces serving the 23 municipalities which now make up the metropolitan area. All but two of the traditional 13 municipalities maintain radio-equipped cruisers, but only one of these systems is linked in with the city system.

"As the large semi-rural townships continue to expand very rapidly, the cost of adequate personnel and modern equipment for police and fire protection becomes a severe burden upon the residents of the municipality and is one focus of resentment on the part of older inhabitants.

"In terms of fire protection outlying geographical areas are often poorly served, if indeed residents can count on any service . . . the tendency in both police and fire protection services is toward more adequate remuneration and more equitable working conditions for staff members. The increasing costs involved are no small factor in expanding municipal budgets.

Hydro:

"There are 11 separate municipal hydro administrations. Existence of this multitude of administrative organizations means a duplication of service vehicles, service personnel and repair materials both in quantities required and in location.

"The most serious defect in the present electric power system is that communities outside the city are not always able to provide reserve facilities when power failures occur.

"On the question of hydro rates it was found that there are not very great variations from one municipality to another, some charging identical rates. Variation does exist, however, and implies different treatment of hydro electric power consumers throughout the metropolitan area. All of the traditional 13 municipalities allow the same discount for prompt payment of bills and have the same minimum gross monthly bill for domestic and commercial rates.

"However, during the past year the large semi-urban townships have been finding it more and more difficult to provide hydro installations for rapidly growing populations at the rates obtaining in the immediate postwar period.

Roads:

"The 'county roads' were built to facilitate the movement of traffic throughout the rural areas of the county. Those roads which now lie within the urbanized portion of the metropolitan area are being used for dense urban traffic and are entirely unsuited for the purpose. The metropolitan area of Toronto, as defined by the study committee, would embrace many miles of such roads.

Municipal roads are built and maintained by each municipality. The committee found that lack of over-all planning has resulted in each municipality building local arteries to handle its own problems, but with insufficient thought for the problems it might be creating in adjoining areas. The chaotic conditions that now prevail in the metropolitan area are in large measure attributable to this lack of co-ordination.

"Regulations for the control of traffic movement are the responsibility of the various authorities that build the roads. There are uniform maximum speed regulations established by the provincial government but rush hour routes, parking restrictions, traffic lights, etc., vary throughout the area, and add to confusion. Enforcement of traffic by-laws is also the responsibility of municipal police forces and provincial police.

"The committee is strongly of the opinion that the final solution to the combined problem of public transportation and roads will involve consideration of several important questions:

"1. How to co-ordinate the work of several jurisdictions which plan, build and control the three types of roads in existence, and the implications of coordinating their work.

"2. The problem of financing arterial roads.

"3. The advisability of integrating public transportation systems.

Public Welfare:

"Public welfare services provided out of tax funds aren't of great importance at present in the municipal service structure of most of the area's municipalities. Expenditures on public social services decreased significantly in most of the municipalities in the area during the period 1939-1944.

"A return to the employment conditions of the '30's would involve most municipalities in the area in tremendous financial burdens which, it would appear, can scarcely be borne with present revenue sources. Clerks of the municipalities in the area were almost unanimously of the opinion that their respective municipalities would face bankruptcy in such a situation, particularly in view of the great expansion in population since 1939. Moreover the lack of trained administrative personnel would make the job extremely difficult."

The committee emphasizes the extremely high potential cost of public health and welfare services in the Toronto metropolitan community.

"Spending on public health services has increased substantially in most municipalities in the metropolitan area since 1944, but such expenditures remain an extremely minor portion of total municipal budgets. Outside the city, only a very few municipalities have provided the services of a public health nurse for their residents. Where nursing services are available they have generally been restricted to facilities available in the public schools.

Hospitals:

"Perhaps the most important problem concerns the obvious geographical centralization of public hospital facilities in the downtown area of the City of Toronto. This is a matter of tremendous importance in considering adequate hospital service for the metropolitan area. Projected construction in North York and Weston will do little to change the present situation.

"A special committee on metropolitan hospital study is considering the whole problem of hospital accommodation for the metropolitan community, as a portion of the work of the Ontario Health Survey Committee.

"The cost of hospitals and public health facilities generally is perhaps borne too heavily by the residents of the City of Toronto because of the concentration of high standard facilities.

"There are no large parcels of vacant land available for parks and recreation areas in the City proper. In the development of recreation facilities, such as the projected "Inner Green Belt," it has become necessary for the City to acquire land beyond its boundaries and without financial support from suburban municipalities. The official plan released by the Toronto City Planning Board in September recommends an extensive recreation development program for the city over the next three decades.

Basis of Assessment Is Major Problem

"At the base of the entire structure of financial responsibility and underlying all problems in this area is the fundamental question of the basis of assessment. The committee finds that the basis of assessment in the Toronto metropolitan community is far from uniform. Although every municipality carries out its assessment under the provisions of The Assessment Act, 1947, the proportion of "actual value" which is taken as the basis of assessment varies considerably in the suburban municipalities of the traditional thirteen. Nor has the year of "actual value" under the Act been identical.

"The City of Toronto has recently carried out a complete re-assessment program which has resulted in an increase in total assessment of more than 30%. For the purposes of the County of York an "equalized assessment" has been undertaken for many years. On the basis of a sampling of assessments in the various municipalities an "equalization factor" has been determined for the purposes of applying the County mill rate against the equalized assessment of each municipality. For the year 1950, equalization has been carried out on the basis of 1949 values and the equalization factors calculated for the suburban municipalities in the metropolitan area of Toronto indicate that present assessment ranges from about 14% to 28% for residential property.

"During the 1930's total assessed valuation declined in most municipalities. It was not until 1940 that the assessment levels of the early 1930's were regained. In the City proper the levels of the early 1930's were not attained until completion of the re-assessment program for 1949. In almost every municipality the increase in total assessed valuation from 1946 to 1948 and in some cases from 1945, has exceeded the amount of increase in any similar period. These gains are due largely to postwar industrial and commercial expansion, accompanied by a substantial price inflation, although residential development is of great significance in some municipalities.

"Total assessed valuation has in no municipality kept pace with expanding population. **Over the period 1934 to 1947, per capita assessment declined fairly steadily throughout the metropolitan area. In Forest Hill, Leaside, New Toronto and North York the decline has ranged from 40% to 70%.** The general trend would be even more significant were it not for the increase in total assessed valuation in the postwar years. While trends can be considered comparison cannot be made without an equalization factor being considered.

EXPENDITURE PER CAPITA (1939 AND 1947)

Municipality	1939 Social Service	1939 Education	1939 All Others	1939 Total	1947 Social Service	1947 Education	1947 All Others	1947 Total
Toronto	14	17	49	80	5	15	46	66
East York	15	11	17	43	1	11	22	34
Etobicoke	10	13	34	57	1	14	46	61
Forest Hill	1	13	47	61	0	22	54	76
Leaside	0	13	48	61	0	21	55	76
Long Branch	..	..	..	..	1	12	27	40
Mimico	15	15	21	51	1	9	29	39
New Toronto	14	15	38	67	1	13	36	50
North York	10	10	34	54	2	12	37	51
Scarborough	17	7	19	43	1	10	27	38
Swansea	1	8	38	47	0	12	34	46
Weston	3	16	30	49	0	14	39	53
York	18	8	23	49	1	11	31	43

Source: Adapted from Annual Report of Municipal Statistics, for 1947, Ont. Dept. of Municipal Affairs, 1948.

ASSESSMENT AND REVENUE PER CAPITA, 1947

Municipality	Assess't per Capita 1939 $	Assess't per Capita 1947 $	Tax Rev. per Capita 1939 $	Tax Rev. per Capita 1947 $
Toronto	1,493	1,387	52	51
East York	376	361	29	29
Etobicoke	461	421	38	45
Forest Hill	1,162	1,081	59	64
Leaside	1,013	791	51*	60
Long Branch	363	358	..	29
Mimico	584	526	37	31
N. Toronto	847	792	48	39
North York	618	551	39	36
Scarborough	474	462	28	28
Swansea	698	703	39	39
Weston	751	892	39	38
York	367	369	34	32

Source: Adapted from Annual Report of Municipal Statistics, for 1947, Ont. Dept. of Municipal Affairs, 1948.

(*For 1940.)

"As would be expected, a study of revenue sources in the metropolitan area shows very heavy reliance of the municipalities upon revenues from the taxation of real property and business, the so-called "Property Tax," and almost complete reliance so far as local sources of funds are concerned. The public resistance to any marked expansion of the revenues from the real property tax and the inability to find new sources of taxation constitute a serious limitation upon the ability of every municipality to meet the demands of metropolitan growth.

"Total municipal spending in the majority of the municipalities declined substantially from 1939 to 1945. Beginning in 1946 and continuing through 1949, expenditures have turned upward and have increased so rapidly that they have now returned to 1939 levels or have exceeded them. Total per capita expenditure had not by 1947 regained the prewar level in eight of the traditional 13 municipalities.

"The chief factor in the wartime decline in expenditures was the decrease of more than 90% in expenditures for unemployment relief. This is true in particular of Long Branch, Mimico, New Toronto and the Townships of East York, Etobicoke, Scarborough and York.

"On the other hand, municipalities such as Forest Hill and Leaside, which did not experience heavy relief loads in the 1930's have found their expenditures increasing steadily during the later war years and throughout the postwar period. Swansea and Weston had a moderate relief problem which, having disappeared, has been replaced by other expenditures and the result is a relatively stable picture over the whole period.

"North York, said to be the fastest growing municipality in Canada, has nearly doubled its expenditures since 1939 despite a significant decline in relief costs. Relief expenditures were nearly eliminated in the Township of Scarborough by 1943, but expenditures jumped 25% in 1944 and have varied widely in subsequent years. This is explained in part by the considerable use for this purpose, of the proceeds of sale of township lands.

"Of perhaps equal importance was the fact that during the early war period municipalities made the loyal decision to postpone capital undertakings in line with the national war effort. During the later war years and the early postwar period many municipalities were actually unable to obtain labor and materials to undertake projects which they no longer wanted to postpone.

"The committee found that the increase in expenditures in the past few years has been due in the main to expanding population and consequent need for expanded municipal services of every kind. A second factor of importance has been the rise in the general price level over the period. The items listed in municipal budgets upon which expenditures have increased significantly have been highways, streets and public works, protection to persons and property, education, general administration, and county levies. Rising expenditures under these categories have more than replaced statutory expenditures on social services which have been nearly eliminated.

"With the end of the war and the general expansion in municipal service provision, involving substantial new capital undertakings, increased debenture debt charges have become more significant in the total picture of expenditures.

"In view of these facts, a return to the employment conditions of the 1930's would involve most municipalities in tremendous financial burdens which can scarcely be borne with present revenue sources."

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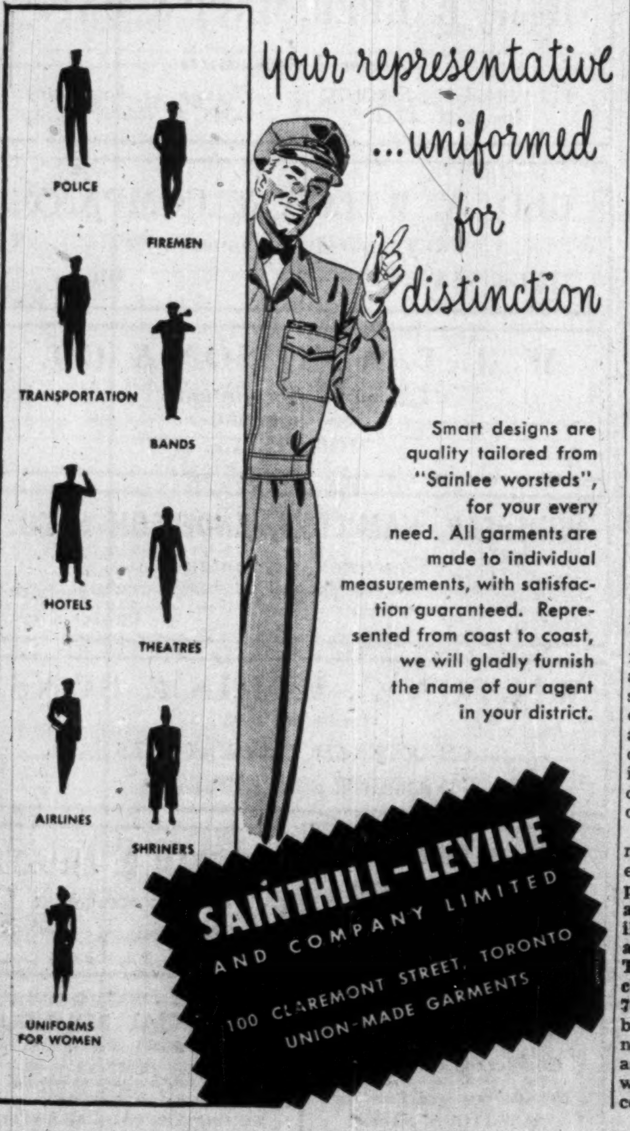
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Is Labor 'War' Inevitable?

On-the-Spot Research in 15 Plants May Provide Answer

Three years ago, Clinton S. Golden, now United States adviser on labor policy of Economic Co-operation Administration, began wondering if the search into the causes of industrial strife was on the right track. It didn't take him long to reach the conclusion that instead of looking into the cause of conflict we know and hear so much about, we should try to discover how much peace there is and what makes peace.

This idea was endorsed by the National Planning Association, a nonprofit, nonpolitical organization with headquarters in Washington. A special committee was set up, composed of 28 business and labor leaders, university professors and professional consultants with Golden as chairman. In 1947, they embarked on a three-year project of 15-on-the-spot investigations of industrial relations in selected plants.

Recently they published the findings of their sixth study—an analysis of the 12-year no-strike relationship between Lockheed Aircraft Corp. of Burbank, Cal., and Lodge 727, International Association of Machinists (this is the union in most Canadian aircraft plants).

War Not Inevitable

Right off the bat the committee stated bluntly: "Lockheed's record is evidence that industrial warfare is not inevitable."

Relations have been far from harmonious at all times. The record includes 30,000 grievances but only 25 arbitrations, frequent use of the U. S. Labor Board and Conciliation service and on two occasions "almost" a strike.

Besides showing how strife can be avoided, the report also shows how close they came to open warfare without actually coming to blows.

And while Lockheed was avoiding strike trouble, bitter strikes occurred at four of the largest aircraft concerns in southern California.

Lockheed's peace was preserved too, during a period of violent change in the industry—changeover from peace to war and back. During this time, Lockheed's payroll skyrocketed from 1,000 in 1937 to a wartime peak of 94,000. Now it is back to 13,500.

Other barriers to peace listed by the committee: Huge wartime turnover resulting in constantly changing union membership; the company's uncertain financial position because of fluctuating markets; intense competition from other unions for Lockheed's employee's; perpetual organizing to win and hold members; a constant struggle for leadership.

Factors in Peace

On the other side, they listed the following factors conducive to peace:

The work is safe, interesting and carried on in pleasant surroundings. The products made have a romantic appeal and competition between companies frequently extends to employees who take pride in their work. Firms, in the long run, are able to pass on higher labor costs to their customers. The Government, the industry's largest customer in peacetime and virtually the only one in war, has not been neutral about prices, costs or labor policies. Particularly in wartime, it discouraged strikes, and to some extent at least, controlled wages.

Although the most serious controversy has developed over the definition of the boundary between management and union rights, both sides have developed an unusual measure of joint participation. Neither side has felt bound by policies followed elsewhere.

Union Recognition

Lockheed contributed to peace by voluntarily recognizing the union at the start. It was the first company in the industry to agree to collective bargaining and it has given the union continued acceptance. Generally, Lockheed has pursued a progressive and flexible approach to bargaining, developing independently and in co-operation with IAM, a personnel program which has had a major constructive effect on the bargaining system.

It has a reputation for liberal treatment of its employees, has been a leader in its industry in regard to holidays, overtime payments, paid vacations, sick leave, insurance plans; it has devoted careful attention to selection of new employees, to developing a safe, healthful, and congenial working environment.

Were it not for the joint participation of the union in some of its activities in regard to recreational and personal needs of employees, a degree of paternalism might be ascribed to the company. As worked out, however, an unusual degree of union-management co-operation in the constructive advancement of employee welfare has evolved.

IAM on its part has "accepted" the company and has promoted no ideological quarrel over the private ownership and operation of the industry. The local has had the benefit of advice and help from representatives of a seasoned and responsible international union, but it has had a high degree of local autonomy. It is noted for its democratic administration, local leaders have been alert, aggressive and honest. The international union and the local have had comparatively little left-right trouble, though the local was plagued for a while by internal competition from "leftist" leaders. The union has made a special effort to educate shop stewards and to stimulate membership participation in the union.

History of Relationship

The relationship was most strained during the war period, 1942-45, and during 1947 and 1948 when the company lost money heavily and feared for its very survival. The relationship is currently harmonious and, although its continuation in the future is "by no means guaranteed," the Committee and authors note that "the habit of peace does tend to perpetuate itself."

Lockheed began dealing with IAM in 1937. Their relationship had many of the characteristics of a partnership, says the committee. They met in complete harmony on relatively simple matters: wages, hours and conditions.

From 1942 to 1945 as the company and union expanded, the plant was largely staffed by green supervisors, many union leaders were untried. The union began aggressive day-to-day bargaining as a means of selling itself to the employees. The company chafed at the union's striving for influence and for improvements for its members. The employees wanted wage increases, but federal wage stabilization stood in the way. The union pressed for "continuous bargaining"—the right to negotiate about any development affecting the employees, whether the contract was open or not. The company, in turn, became protective about managerial rights. A new job structure and a new wage structure had to be built, thousands of grievances processed, and joint explorations made of such war-aggravated problems as heavy turnover and the inadequacy of community services for employees.

Economics Important

During 1945 and 1946 good will was restored. The company considered itself to be in a favorable competitive position. It maintained employment at a much higher comparative level than any other producer. It consulted with the union about reconversion problems, and the parties negotiated and placed into effect a new job and wage structure.

By 1947 the business prospects on which this good feeling had been partly founded had deteriorated gravely. The company began consulting less with union leaders, and internal dissension developed within the union. The company lost money heavily. Wage settlements during 1947 and 1948 at Lockheed were surpassed by settlements elsewhere in the industry. The IAM was subject to intense internal criticism for its wage settlements by its members and external criticism from rival unions. The company laid off many workers and down-graded others. Grievance settlement, the union felt, became "legalistic."

New harmony came in 1949. The company had built up a substantial backlog of orders; 1948 turned out to be a much better year for profits than expected, and net returns for early 1949 continued to be at a much improved level. Top officials of the union faced elections with almost complete membership support. A two-year contract was signed. Wages were raised considerably more than by the rest of the industry; union security provision was improved; seniority clauses made more pleasing to long-service workers.

How They Gained

On balance, both the company and the union have profited from the relationship:

1. Lockheed has been as profitable as its competitors. Profits have fluctuated enormously, but the union has given some attention to company ability to pay high wages both during the war and in the post-war period.

2. Lockheed has enjoyed more peaceful relations than its competitors. The comparatively high wages historically maintained at Lockheed have made it easier to attract and retain workers, and thus have eased the administrative tasks of management. The voluntary-quit rate of workers at Lockheed has been comparatively low. A reputation for "treating workers right" has paid off in good morale.

3. IAM has been relatively secure and has participated more fully in joint activities with the company, for a longer period of time, than elsewhere in the industry. Although the company, as a matter of principle, has opposed compulsory union membership, there has been a voluntary check-off of dues since 1937 and a maintenance-of-membership provision since 1945.

4. Employees have benefited from an enlightened personnel program and from generally better levels of compensation. The established union leaders have been able to show a record of successful accomplishments.

Peace Factors Similar

The NPA Committee points out significant parallels to other situations which it has studied, even though the Lockheed-IAM relationship has been greatly influenced by the wide shifts in demand for aircraft:

1. There is full acceptance by management of the collective bargaining process and of the union as an institution. The company considers a strong union an asset.

2. The union fully accepts private ownership and operation of the industry; it recognizes that the welfare of its members depends upon the successful operation of the business.

3. The union is strong, responsible, and democratic.

4. The company stays out of the union's internal affairs; it does not seek to alienate the workers' allegiance to the union.

5. Mutual trust and confidence exist between the parties. There have been no serious ideological incompatibilities.

6. Neither party has adopted a legalistic approach to the solution of problems in the relationship.

7. Negotiations are "problem centred"—more time is spent on day-to-day problems than on defining abstract principles.

8. There is widespread union-management consultation and highly developed information-sharing.

Co-Op Movement Growing Rapidly; 2,249 Units Did $780 Millions in '48

The first Canadian co-operative store was established 90 years ago in Stellarton, N.S. Today the co-operative movement has developed into an important and significant factor in the Canadian economic and social life.

At last report it was this big:

2,249 separate businesses, from single trade union-sponsored stores to vast farm co-operatives.

1.1 million members.

Annual business of $780 millions (1948).

Thirty-two per cent of all farm products now marketed through co-operatives.

Total assets, $201.3 millions; Plant value, $75 millions, or double 1943; $30 million expansion program now complete.

But more significant perhaps is the sudden surge of the co-operative idea since 1945 and the rapid extension of operations not only in merchandising and agriculture but in certain lines of manufacturing as well.

Growth Since 1945

Since 1945, this is what has happened:

Number of co-operatives increased by 400.

Total business jumped by $195 millions (more than all business done in 1938).

Sale of farm products $116 millions higher at $616 millions; up 6.5% against 5.6% for total farm income.

Sale of other products up $76 millions.

First co-operative oil well brought in.

50,000-member organization formed in Saskatchewan to distribute farm implements.

Coal mines started and operated.

Bag-making factory started.

Co-operatives are moving in other directions too. Once confined mainly to agriculture and fishing, they are now to be found in transportation, medicine, automobile and electrical repairs, restaurants, boarding-houses, funeral services, housing and recreation; electricity; community halls; telephone systems.

The story of this remarkable growth is told on the 17th annual report by the Federal Department of Agriculture on "Co-operation in Canada." It covers the year ending July, 1948.

It reports there are as yet no signs of any decrease in activity. On the contrary, there is evidence of continued growth and expansion. For example, here are some of the 1948 developments:

Terminal Bought

Manitoba Pool Elevators acquired 20 country elevators from a private company; a feed grain plant at Portage la Prairie and a 3.5 million bushel terminal at Port Arthur. Payment was made partly by turning over a smaller terminal, the rest with members' subscriptions.

Two co-operatives moved in the field of manufacturing: Interprovincial Co-operatives Ltd. beban operating a bag factory in Saskatchewan in September; during 1949, supplied regional wholesalers.

Saskatchewan Wheat Pool opened a new flour mill in Saskatoon. Costing $13.5 millions, it has a capacity of 1,000 bbl. a day. Flour will be distributed by Interprovincial Co-operative.

Canadian Co-operative Implements reorganized under a special Act of the Saskatchewan legislature and registered to carry on business in other provinces. Has a membership of 50,000 in the three Prairie Provinces and distributes tractors, harvester combines and other agricultural implements. Assembly is done at branches and service is provided by mobile field service units.

Leading Units

Two important parts of the movement:

1. Interprovincial Co-operatives Ltd., a federation of eight regional wholesales "organized to consolidate the buying of regional wholesales." It may also acquire and operate productive and manufacturing facilities and act as distributor for co-operative processing or manufacturing plants. In addition, it controls the "Co-op" label in Canada.

2. Co-operative Union of Canada, organized in 1909 "for the promotion and protection of the co-operative movement." It reported a membership of 922 associations in 1948; representing 628,745 individual members and did $427.9 millions worth of business.

Following are summaries of the various areas of co-operative activity taken from the report:

Marketing: Value of farm products marketed, $616.3, an increase of $37 millions over 1947. This is not as large an increase as in the two previous years but it was still more than the increase in total cash farm income (6.5% for co-ops against 5.6% over-all).

Merchandising: Sales value of supplies purchased for members and patrons, $157.9 millions against $127 millions in 1947, an increase of 24%. Largest jump noted in co-ops handling food products, clothing, home furnishings and petroleum products. Farm machinery sales tripled, indicating growing mechanization of farms and increasing activity of Canadian Co-operative Implement at Winnipeg.

Retailing: Total volume of 631 retail stores, $74.7 millions (part of merchandizing figure). Food sales accounted for half with feed and fertilizer ranking second and third. Petroleum sales, $7.9 millions, mainly in the three Prairie provinces.

Wholesaling: Every province now has a wholesaling co-op with the exception of Prince Edward Island. Seven are also regional members of National Co-operatives Inc. in the United States from whom they get durable consumer goods such as washing machines, radios, refrigerators, milking machines, auto tires and accessories, etc. Total merchandise sales, $42 millions; farm products, $52.3 millions.

Insurance: Farmers mutual fire insurance companies are the oldest form of co-operative insurance in Canada. Net admitted assets, $22.3 millions in 1947; amount carried, $1,835 millions; losses paid out, $5.3 millions.

The Co-operative Life Insurance Co. obtained a Dominion charter in 1947 and extended operations into Manitoba, Saskatchewan, Alberta and Ontario and has applied for a license in New Brunswick.

Various other companies provide bonding and faithful performance insurance.

Fishing: 87 marketing co-ops reported, mainly in the Maritimes and Quebec, but indications of growing interest in Sask., Manitoba and Ontario. Total membership, 12,766; value of produce sold, $14.9 millions; sales of equipment, $2 millions.

Financial structure: Total assets $201.3 millions, up $33.4 millions; plant value, $36.8 millions in 1943, doubled in 1948 to $75 millions. Most of this occurred in 1946-47, when co-operatives undertook a $30-million expansion program. The balance sheet looks like this (in millions of dollars):

Total assets	$201.6
Plant value	75.0
Liabilities to public	89.4
Liabilities to members	55.1
Net worth	57.1

CO-OPERATIVES IN CANADA, 1932-48

	Associations No.	Total Bus. Incl. Other Rev. 000 $	Marketing 000 $	Purchasing 000 $
1932	795	145,303.9	134,611.1	10,665.5
1933	686	115,849.9	106,804.2	8,779.1
1934	690	136,411.5	128,909.0	7,389.0
1935	697	130,384.9	120,853.6	9,241.8
1936	781	158,165.8	144,962.6	12,788.2
1937	1,024	173,927.1	157,031.4	16,363.9
1938	1,217	155,080.4	134,493.7	20,091.9
1939	1,332	201,659.9	180,747.5	20,400.0
1940	1,151	236,322.5	214,293.4	21,129.8
1941	1,395	242,158.3	215,030.4	25,895.4
1942	1,722	257,090.4	214,762.9	42,327.5
1943	1,650	352,785.6	295,499.3	55,689.1
1944	1,792	527,855.5	459,798.8	65,508.7
1945	1,824	585,650.1	500,481.6	81,360.9
1946	1,953	554,329.7	454,564.9	95,603.3
1947	2,095	712,583.2	578,638.2	127,001.5
1948	2,249	780,085.0	616,347.5	157,874.0

CO-OP BUSINESS IN 1948

	Associations† No.	Value of Sales $
Marketing:		
Dairy products	667	109,862,341
Fruits & vegetables	196	40,338,032
Grain & seed	82	290,773,952
Livestock	298	96,886,819
Eggs & poultry	356	31,591,753
Honey	7	550,888
Maple products	1	1,446,571
Tobacco	5	37,067,050
Wool	18	1,750,563
Fur	4	1,528,469
Lumber & wood	17	645,033
Miscellaneous	30	3,906,006
Total, Marketing	1,123	616,347,477
Merchandising:		
Food products	636	37,263,142
Clothing & home furn's	411	6,274,023
Pete. pr. & auto access.	717	20,005,875
Feed, fertilizer or spray material	1,096	66,405,993
Machinery & equipment	333	5,038,139
Coal, wood & bldg. mat.	631	8,522,050
Miscellaneous	827	14,364,823
Total, Merchandising	1,592	157,874,045
Grand Total	2,249	*774,221,522

†Duplication exists in this column since some Associations market produce as well as handle supplies. Some market more than one product and some handle many of the supplies listed.

*"Other revenue" explains difference between this figure and $780 million total business.

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INCOME TAX

Surveyor's Fees

I am a Manitoba land surveyor and as such I must pay my registration fee ($7.50) to be able to do any survey work in the province. Is this fee deductible from my income for tax purposes? Some say it is, and others say no.

The deductibility of this registration fee depends on whether you are working on a salary, or for fees. If you are on a salary, then the fee is not deductible. If you are practicing your profession and deriving your income from fees, then the registration or association fee would be deductible.

Wife's Medical Expenses

A married man, no dependents, has an income of $5,000 and his wife's income from investments is $1,300. The wife paid doctor's bills of $500 during the year. The man is desirous of availing himself of the full exemption of $2,000 for a married man, seeing that the deduction of the wife's excessive medical expenses should put her in the bracket of those receiving less than $1,000 and therefore nontaxable. What exemption should this married man have under the circumstances?

Because the wife's income is reduced by the excess of her medical expenses over 4% of her income, she will not be taxable. Normal medical expenses at 4% of her income would be $52 leaving excessive medical expenses of $448. This deducted from her $1,300 income would put her in a nontaxable bracket with a net income of $852. But while this deduction makes her nontaxable, it cannot be used to reduce the excess of her income over $250 and not exceeding $1,000 when calculating the husband's exemption. Accordingly the husband will be taxed as a single person.

INVESTMENTS

Porcupine Gold Reef

Many years ago I purchased shares in Porcupine Gold Reef Mining Co. Can you tell me if this company is connected with Porcupine Reef which I see is to pay a dividend shortly?

Porcupine Gold Reef Mining Co. sold its assets, and shareholders are entitled to exchange shares on the basis of three shares of Huclif Porcupine Mines for each 20 shares of Porcupine Gold Reef held. Transfer agents are the Crown Trust Co., Toronto.

Huclif Porcupine Mines holds 329,119 shares of Porcupine Reef Gold Mines. It has an authorized capital of 3 million shares of which 1,133,874 shares are issued. In addition to its Porcupine Reef holdings, the company has 200 acres in Rouyn township, Quebec.

Mortgage Discount

What is the status of Mortgage Discount Ltd. stock? I understand the company is being wound up.

All the assets of Mortgage Discount Ltd. have been disposed of and cash distribution is now being made to preferred shareholders. We are informed that this distribution will be about $3.40 a preferred share. There will be nothing available for common shareholders.

Normetal Mining Corp.

Can you give me any idea of what earnings of Normetal Mining Corp. were like for the year of 1949? Do you think the prospects are encouraging for a fairly good level of dividend distributions in the coming year?

Normetal Mining Corp. realized a profit equal to 26.5c a share in the nine months ended Sept. 30, 1949, with full-year earnings probably in the neighborhood of 36c a share.

With a fairly stable market for copper, prospects for earnings in 1950 appear favorable; dividend distributions are likely to continue generous as the company had working capital of almost $4 millions at the beginning of 1949.

Ore reserves are not expected to show any important increase until work gets well under way on new deep levels following completion of sinking the No. 4 shaft to its objective of 4,000 ft.

Nicholson Mines

What have results underground been like so far at Nicholson Mines? Is it true that initial results were disappointing? Do you think this property will ultimately make a mine?

Initial underground work at Nicholson Mines on No. 2 zone returned rather disappointing results and work on this showing is now being carried on on a restricted scale. The main zone indicated by diamond drilling was the No. 4 zone — it was by far the stronger — and work is now being done from No. 4 shaft to investigate this occurrence.

We understand it will likely be about Jan. 20 when the No. 4 zone is tested. It appears likely that the No. 4 zone will "make or break" this property. The next six months should pretty well tell the story as to whether or not Nicholson will prove a commercial proposition.

Limited Companies

At present I am the proprietor of my own business, the annual turnover of which runs into six figures. Would you be good enough to inform me briefly of the advantages and disadvantages of my incorporating my business as a limited company?

Some of the advantages of incorporating as a limited company are as follows:

(1) A limited company is given, by law, an individuality quite distinct from those who contribute toward its capital and management and consequently its continuance as a business does not depend on the life solvency or whim of any of its members. This continuity is one of the main reasons for its formation, as in the case of a partnership the death of a partner terminates the partnership and for a sole proprietorship the death of a proprietor may destroy his organization.

(2) The liability of the members or shareholders of a company is limited to the amount which, at the time the shares are issued, they subscribe or promise to subscribe to the capital. In the case of a sole proprietorship or partnership the liability is unlimited.

(3) In the case of a limited company, the shares are transferable and so it is much easier to dispose of your interest in the business. If the full amount promised by the original holder of a share has been paid, no liability attaches to any subsequent holder of that share.

(4) Where the company is a public company and the shares are widely enough traded to establish a value, this value may be used for purposes of succession duties. In the case of the sole proprietorship or partnership a valuation of the business has to be made and agreed on for succession duty purposes.

Probably there are some other reasons but the above would represent the main reasons for the incorporation of a business.

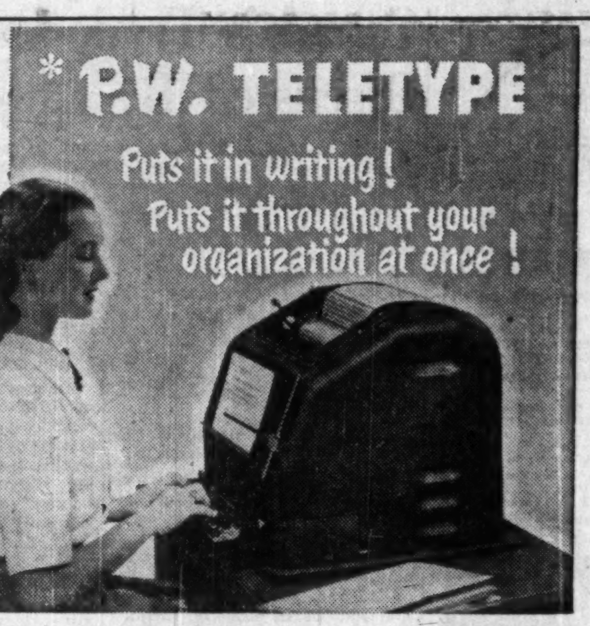
One disadvantage of incorporating as a limited company arises from the change in liability for income tax. A sole proprietor is required to pay personal Income Tax on the entire net profit of his business whether he pays it out to himself or not. If the business is incorporated into a limited company, it becomes liable for both Dominion and Provincial Corporation income tax and then the amount that is paid out in dividends represents taxable income for the recipient. Thus to the extent to which dividends are paid the income is liable to double taxation. As you no doubt know this year's budget contained a first step toward eliminating this double taxation factor.

An advantage from the changed tax position lies in the fact that the owner can choose the time when he will pay personal Income Tax on the earnings in so far as he can leave them in the business until he wants to pay them out.

Thus there are a number of factors which determine whether it would be wise to incorporate. One of the main factors is probably the size of the business. Other factors would be the desire to assure continuity of the business and/or the desire to limit the personal liability for the actions of the business and/or the income tax liability factor. The advantages and disadvantages accruing to you from each factor would have to be weighed before coming to a decision.

EUGENE L. GARDNER

director of finances, RCA Victor Co., Montreal, has been elected a vice-president of the company.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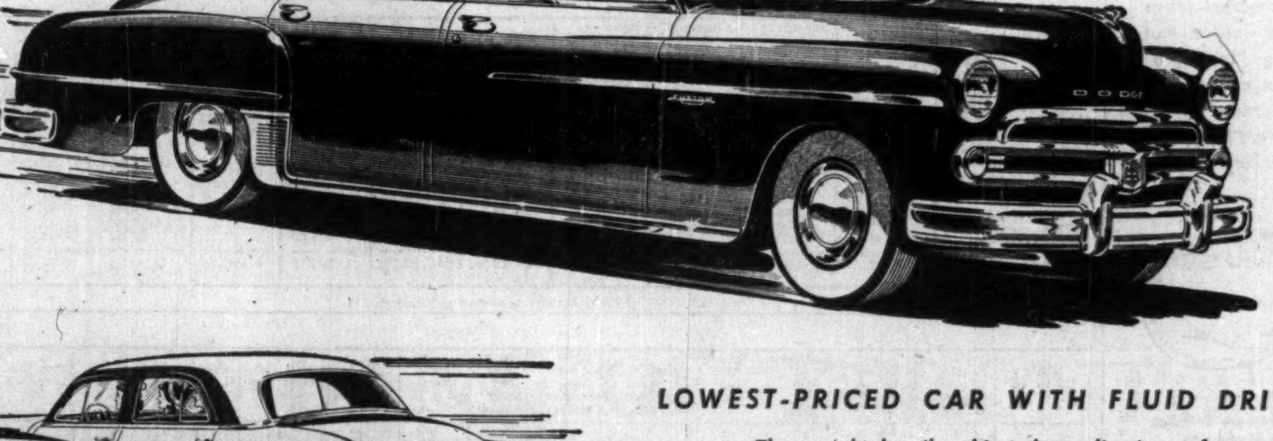

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Canada's Trade Outlook, Resources Discussed By Chartered Bank Heads

Importance of export trade to the Canadian economy, switch of a large part of the population from agricultural to industrial employment, the danger of spread of socialistic ideas and the value of our natural resources, were among the subjects discussed at the annual meetings of Canadian chartered banks recently.

Here is a digest of the addresses:

JAMES MUIR, president The Royal Bank of Canada

We are at a stage now in which responsibility for restoring balance in our international economy must be more evenly divided between creditor and debtor nations than it could be in the period immediately after the war. The nations of Europe, through their own efforts and with the help of loans and gifts from abroad, have built up their production to the pre-war standard The immediate problem has become not production as such but efficient production. We are back to "normal times" again in the sense that the old problems of competition in international trade, such as costs, prices and salesmanship must once more be met. Under these conditions, we still need the inventiveness and imagination which have helped debtor and creditor countries by co-operative effort to progress as far as they have along the road to world recovery. But we need also to restore as nearly as we can the favorable economic environment that made international stability possible in the golden age of the sterling standard.

Five Important Steps

If the world is to achieve international economic stability several steps must be taken as follows:

1. Nations of the world should re-learn a basic lesson of the first world war, and settle their war debts. Thanks to Lend-Lease and Hyde Park, these debts today are confined largely to £3½ billions which Britain owes to India and Egypt.

2. For a certain fixed period, we should let the market determine rates of exchange, as it did immediately after the first world war. This means free exchanges except for government pegging against violent movements due to speculative capital flows.

3. At the end of this period of free-market valuation, we should stabilize currencies by reference to the rates which the free-market has determined.

4. Having stabilized exchange rates at the level decreed by the free market, the world must adopt some device to keep them that way.

5. The gold standard (or its equivalent) must be made to work by the proper discipline not only of debtor but of creditor nations as well. This means a return to the two basic requirements of responsible creditor nations: vigorous international lending and free trade; also freer travel, progressive elimination of transit visas, currency restrictions, tedious border-crossing formalities, and other fetters on tourism that offset the speed of modern travel by air, train, steamship, or auto, and annoy and harass the traveler.

Debtor-Creditor Relations

These five points add up two simple propositions:

1. Debtor countries must behave like responsible debtors and accept the discipline imposed by the competitive requirements of free international trade;

2. Creditor countries must behave like good creditors and help make their debtors solvent and prosperous.

* * *

J. L. CARSON, president The Bank of Toronto

Canada is not at the top of the world, but its place is increasingly important. In the production of nickel, platinum, asbestos, radium, uranium and newsprint, Canada stands first in the world. In hydro-electric power, aluminum and gold, and in the export of wheat, we are second. Canada stands third in copper, zinc and silver, and fourth in lead. In volume of external trade we stand second per capita, and third in gross volume.

In living standards we are second, and our prosperity is reflected in the fact that our gifts, loans and contributions arising out of the late war totaled six billion dollars.

Further development of the north of course will require the close co-operation of the federal and provincial governments to work out mutual and compensating programs in fur farming, fishing, forestry, and in the development of mineral deposits. The Federal Government might well assist the universities in training a corps of young men in geology, engineering, chemistry, mineralogy, prospecting, surveying and soil analysis, through well planned courses supplemented by field work. Thus in a decade there would be a reservoir of technical workers for every phase of development of our natural resources.

Add to this a reasonable encouragement of immigration to supply more working and consuming population, and pledges to safeguard and encourage large amounts of risk capital, and we will have the foundation to make the north country play its obviously destined part in a greater and better Canada.

In Canada the tide of prosperity, has continued during the year just ended . . . American capital is flowing into Canada and employment is plentiful. Thus far, Canada has avoided a recession of the type experienced in the United States.

It is reasonable to expect sooner or later some tapering off in the insistent consumer demand which has marked the upswing of the past few years, and a lessening of the urgent activity in capital expansion. Export markets will be less certain. Tax refunds and retroactive payments to wheat growers are declining factors. While business activity is likely to remain at the present high level for a time, it may well be that 1950 will show a moderate decline from the records of 1949. Competition becomes increasingly keen as we go along, with profit margins declining, hence the need for economies and efficiencies in business operations, a cautious inventory policy, and a close check on receivables.

Over the past thirty years British purchases from Canada have exceeded her sales to us by the huge amount of eleven billion dollars. This has been of tremendous assistance in the development of Canada. We and the United States have such a vital stake in the United Kingdom that we can only hope that by continued co-operative and constructive action, particularly on the part of the United States . . . we can ease the burden Britain is carrying.

* * *

HON. E. L. PATENAUDE, P.C., president Provincial Bank of Canada.

The world today is divided into two camps. On one side, communism and complete totalitarianism; on the other, free enterprise. The latter group, to which we belong, is being infiltrated by subversive theories. An objective study of the two systems would demonstrate the superiority of ours. The benefits which might stem from the application of new economic theories are but an assumption. On the contrary those who have lived under communism, or even more moderate forms of socialism, have indicated that such regimes have awakened in them a desire to return to free enterprise.

What we must be concerned about above all is the presence in democratic countries of unwitting socialists. Under pretext of preserving free enterprise, they would introduce the very seeds of socialism. In the early stage, the theories they propound may be mistaken for elementary notions of a healthy doctrine. But, experiments tried in other countries serve as a warning. Property rights, almost universally recognized as the most solid—if not the only — basis of social order, are endangered not only by those who challenge them, but also by those who, though recognizing them make them illusory through excessive charges.

Let us not fail to denounce real injustice and to endeavor to correct it. But let us do so in all fairness. Let us take into consideration the progress achieved in the past fifty years. In the field of social welfare, the state and employers are assuring ever more completely the security of the worker by means of pension plans and group insurances.

As for additional measures of social security which are required from the governments, they generally result in an increase in both taxation and cost of production. Neither taxes nor prices can rise indefinitely. In social reform, as in everything else, one must strive for the happy medium.

During the past few years, a declining trend in agricultural population has been evident, while employment in manufacturing industries has mounted steadily. This drift from the country to the city cannot in the long run but constitute a national loss. Agriculture is the foundation on which rests the social and economic life of a nation. Moreover the current difficulties of exporting our surplus farm products might give added impetus to the exodus from rural districts to industrial areas. Hence, we should take every possible practical measure to prevent a drop in the prices of farm products, and at the same time demonstrate to the farmer that the take-home pay of the industrial worker is only a feeble compensation for what he gives up when he leaves the farm. Unemployment and strikes, two evils of the factory, are unknown on the farm; and the land always nourishes those who work on it.

Among the factors which should help to maintain the economy in 1950 at the 1949 level, are the further development of our vast natural resources, especially iron and oil deposits, as well as the launching of nation-wide public works by our governments. Probably the knottiest problem for Canada in 1950 will be in regard to its foreign trade. . . . . The success of the steps taken by our governments and our commercial representatives abroad, will have a decisive effect on the degree of prosperity we will enjoy in 1950.

BANK OF CANADA

	Jan. 11 1950 $	Jan. 4 1950 $
Liabilities		
Capital paid-up .	5,000,000	5,000,000
Rest fund	10,050,367	10,050,367
Notes in circ. ...	1,281,869,996	1,302,580,827
Deposits: Dom. .	99,389,458	48,571,649
Chart. banks .	514,232,555	540,375,814
Other	124,586,840	115,719,058
Total deposits ..	738,208,853	704,666,521
Liabs. payable in sterling, U.S.A. and foreign gold currencies:		
(a) to gov. of Can.	84,119,899	90,099,926
(b) to other ...	26,777	26,777
Total	84,146,676	90,126,703
All other liabs. ..	28,538,910	27,935,331
Total liabs.	2,147,814,802	2,140,359,749
Assets		
Sterling & for'n .	78,646,676	84,626,703
Other curr.	59,837	45,858
Total	78,706,513	84,672,561
Subsid. coin	152,544	153,080
Investments:		
Gov. sh. term .	1,780,682,449	1,768,923,678
Oth. gov. sec. .	227,730,092	227,452,048
Other secs. ...	5,500,000	5,500,000
Total invest.	2,013,912,541	2,001,875,726
Total share cap. at cost	25,000,000	25,000,000
Premises	3,651,327	3,649,273
All other assets .	26,391,877	25,009,109
Total assets	2,147,814,802	2,140,359,749

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J. ALDERIC RAYMOND, PRESIDENT

THE PROVINCIAL BANK OF CANADA

Summary of the addresses delivered at the 49th annual general meeting of the shareholders held in Montreal, at the head office of the Bank, 221 St. James West, on January the 11th, 1950.

ADDRESS OF THE PRESIDENT, THE HON. ES.-L. PATENAUDE, P.C., K.C.

Agriculture and social order.— Our prosperity depends on our exports.

Hon. Es. L. Patenaude, recalled at the beginning of his address that 1950 marks an important anniversary, for it was in 1900 that the Provincial Bank of Canada was established. Paying tribute to the pioneers of the Bank and those whose generous co-operation has made possible the success of the organization, he said that the presence of those who guide today its destiny inspires in him a confidence in the future equal to that which animated its founders a half-century ago.

After a brief survey of the economic situation, he noted that during the past few years a declining trend in agricultural population has been evident, while employment in manufacturing industries has mounted steadily. This drift from the country to the city, he added, cannot in the long run but constitute a national loss. Agriculture is the foundation on which rests the social and economic life of a nation. Moreover the current difficulties of exporting our surplus farm products might give added impetus to the exodus from rural districts to industrial areas. Hence, we should take every possible practical measure to prevent a drop in prices of farm products, and at the same time demonstrate to the farmer that the take-home pay of the industrial worker is only a feeble compensation for what he gives up when he leaves the farm. Agriculture is the mightiest bulwark against social disorder. Unemployment and strikes, two evils of the factory, are unknown on the farm; "*on ne chôme pas sur le sillon*" and the land always nourishes those who work on it."

Speaking of the problem created by the shortage of American dollars, Mr. Patenaude remarked that our prosperity is dependent in no small degree on a substantial volume of exports and that the success of the steps taken by our government and our commercial representatives abroad to expand our overseas markets will have a decisive effect on the degree of prosperity we will enjoy in 1950.

The President of the Bank devoted the concluding portion of his address to modern social doctrines which attack the very structure of our economic system. Before adopting any new system, he declared, it would be well to make an inventory of the unquestionable advantages of our present economic organization. The benefits which are attributed to the new economic theories are but an assumption, and those who have lived under communism, or even more moderate forms of socialism, have indicated that such regimes have awakened in them a desire to return to free enterprise.

Mr. Patenaude observed that property rights are endangered, not only by those who challenge them, but also by those who, though recognizing them, make them illusory through excessive charges. He then gave the following advice: Let us rather strive, he said, to improve our present system. All those who believe in the dignity of man, see in free enterprise and private initiative the surest means of progress—not only material, but also social and personal. In order that man might learn to derive the greatest benefit from our present system of free enterprise, one should suggest the practice of civic virtues, love of work and discipline, the desire for personal effort, and the habit of savings, "which create wealth", as I said upon concluding my remarks last year, "which sustain trade and which give birth to new enterprises".

ADDRESS OF THE GENERAL MANAGER, MR. J. U. BOYER

Presenting the 49th annual statement of the Bank, covering the fiscal year ended 30th November 1949, the General Manager, Mr. J. U. Boyer, notes that gross profits for the year amounted to $718,711, as against $693,733 in 1948. This compares with $457,173 in 1939. Net profits amounted to $389,685, which is equivalent to 97¢ a share, as compared with 81¢ in 1948. Dividends at the rate of 60¢ per share per annum paid to the shareholders in 1949, together with a special dividend of 10¢ per share made payable on the 15th of January 1950, accounted for $280,000, thus leaving a balance of $109,685, as against $44,199 in 1948, to be added to Profit and Loss account which now shows a credit balance of $502,021, as against $392,336 in 1948. Loans have reached the highest peak in the Bank's history at $49,916,468, or an increase of nearly $7,000,000 over 1948. Interest bearing deposits by the public amounted to $110,834,933, as against $109,381,002 in 1948. Non-interest bearing deposits amounted to $33,980,142. Total assets of the Bank amounted to $161,544,327, of which quick assets of $29,122,670 reflects an increase of $1,547,802. Total readily realizable assets of $107,698,681 were equal to 69.5% of all Bank's liabilities to the public, thus showing that the Bank continues to maintain a highly liquid position.

The General Manager recalls that the Provincial Bank of Canada has purchased a large building in Quebec City at the corner of de la Couronne Street and Charest Blvd. where it is proposed to open a branch in the near future. A new branch was erected at Amqui, Que., and the Ville St. Laurent Branch was moved to a more spacious and modern building. A branch was also opened in Quebec City, in the Industrial Centre No. 5.

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Position of Chartered Banks of Canada as of November 30, 1949 Shown by Monthly Returns to Minister of Finance

LIABILITIES

NAME OF BANK	Notes in Circulation	Deposits by and Bal. Due to Dominion Government	Deposits by and Bal. Due to Provincial Governments	Advances from Bank of Canada Secured	Demand Deposits in Canada	Savings Deposits in Canada	Deposits in Canada in currencies other than Canadian	Deposits Elsewhere	Bal. due to other banks in Canada	Due to banks in U.K.	Due to Banks Elsewhere
	$	$	$	$	$	$	$	$	$	$	$
Montreal	3,591,596	100,091,986	33,644,837	....	581,395,886	1,081,870,171	13,492,527	87,130,736	20,189,218	10,772,907	20,272,646
Nova Scotia	1,208,433	20,203,740	3,488,053	....	196,040,540	407,886,821	6,501,743	88,141,514	12,859,128	1,797,144	4,103,975
Toronto	530,706	14,632,351	5,938,805	....	137,021,631	268,923,809	665,843	....	2,358,343	3,209,560	1,205,750
Provincial	254,193	4,250,530	1,218,696	....	33,970,719	110,808,681	35,734	....	2,747,807	....	33,307
Commerce	2,945,718	52,856,778	36,198,332	....	478,938,835	826,986,875	12,796,821	100,438,092	11,618,815	4,877,583	10,294,123
Royal	3,703,729	56,857,933	40,351,584	....	667,443,898	969,997,212	36,765,288	362,079,518	12,055,072	6,525,089	40,064,980
Dominion	492,094	15,170,028	2,811,042	....	131,047,728	216,790,733	5,443,345	11,053,760	5,584,602	2,448,399	1,835,967
Nationale	541,592	13,825,634	2,418,491	....	101,273,277	290,925,832	720,555	639,423	3,817,805	82,367	681,734
Imperial	609,152	15,791,019	33,946,790	....	180,025,208	264,915,804	1,957,123	....	6,201,192	4,014,139	3,535,091
Barclays	49,500	2,174,213	19,371	....	7,769,545	8,211,261	5,349,738	....	1,812,177	3,614,162	1,960,529
Total	14,016,713	295,863,212	160,034,001	....	2,484,927,267	4,447,317,289	83,728,717	649,492,043	79,244,159	37,341,350	83,988,102

NAME OF BANK	Letters of Credit outstanding	Other Liabilities	Dividends Declared and unpaid	Reserve Fund	Capital Paid Up	Total Liabilities	SUPPLEMENTARY INFORMATION Capital Authorized	Capital Subscribed	Last Dividend	†Loans to Directors and firms of which they are partners	Greatest Amount of Notes in circ.	Bills rediscounted with Bank of Canada
	$	$	$	$	$	$	$	$	%	$	$	$
Montreal	30,545,427	1,397,280	1,456,200	48,000,000	36,000,000	2,069,860,424	50,000,000	36,000,000	8 (2)*	302,531	3,621,386	....
Nova Scotia	16,795,200	758,450	373,151	24,000,000	12,000,000	796,158,898	15,000,000	12,000,000	12 (3)*	2,195,481	1,223,601	....
Toronto	2,886,110	284,431	300,552	14,000,000	6,000,000	457,957,986	10,000,000	6,000,000	12 (2)*	496,171	533,766	....
Provincial	1,501,256	105,448	106,931	2,000,000	4,000,000	161,042,306	5,000,000	4,000,000	8 (1)*	1,374,094	258,503	....
Commerce	49,922,279	878,410	840,691	30,000,000	30,000,000	1,649,393,356	50,000,000	30,000,000	8 (2)*	1,527,133	2,968,813	....
Royal	51,790,695	3,558,112	931,924	44,000,000	35,000,000	2,331,125,040	50,000,000	35,000,000	10	2,035,588	3,717,143	....
Dominion	9,704,191	170,504	4,658	10,000,000	7,000,000	419,557,057	10,000,000	7,000,000	10	365,613	498,204	....
Nationale	422,737	72,714	154,166	7,000,000	7,000,000	429,574,333	10,000,000	7,000,000	8	688,594	546,387	....
Imperial	8,244,515	346,191	6,302	10,000,000	7,000,000	506,682,533	10,000,000	7,000,000	12	539,363	702,692	....
Barclays	764,784	18,858	....	1,500,000	1,500,000	34,744,142	1,500,000	1,500,000	....	....	50,735	....
Total	172,577,194	7,591,398	[illegible]974,575	190,500,000	145,500,000	8,856,096,075	211,500,000	145,500,000	....	9,524,568	14,121,200	....

†And loans for which they are guarantors

*Extra dividends shown in brackets

ASSETS

NAME OF BANK	Gold and Subsidiary Coin held in Canada	Gold and Subsidiary Coin held Elsewhere	Notes of Bank of Canada	Deposits with Bank of Canada	Notes and Cheques on other Banks	Govt. and Bank Notes other than Canadian	Balances due by other banks in Canada	Due by banks in U. K.	Due by banks elsewhere	Dom. Gov. Short Term Sec.	Dom. Gov. Long Term Sec.	Prov. Gov. Short Term Sec.	Prov. Gov. Long Term Sec.	Canadian municipal securities
	$	$	$	$	$	$	$	$	$	$	$	$	$	$
Montreal*	2,452,145	8,429	44,600,054	124,280,793	86,362,895	1,869,607	625	2,610,643	31,663,734	253,934,493	557,404,725	40,357,357	98,092,239	48,448,304
Nova Scotia	1,163,071	710,594	21,972,632	41,839,916	34,688,528	21,755,473	....	450,399	13,207,908	69,915,679	179,239,035	4,551,932	15,964,986	7,775,538
Toronto	641,433	....	9,571,625	11,678,540	13,428,513	592,838	....	5,045	5,783,887	44,440,807	138,754,268	4,934,225	15,093,127	6,588,480
Provincial	471,850	....	5,035,370	12,726,452	4,194,991	246,558	....	9,261	1,438,186	15,290,291	20,154,813	6,299,275	16,913,472	6,608,112
Commerce†	1,895,269	101,968	31,837,880	89,089,115	51,242,513	2,955,471	168,507	1,783,121	38,218,505	121,694,979	494,936,289	22,765,401	48,255,055	2,114,796
Royal‡	2,685,317	1,735,007	50,292,409	136,202,338	8,220,196	78,631,349	15,871	9,815,003	65,315,493	360,498,677	529,820,127	27,148,794	80,170,973	24,426,544
Dominion	617,814	370	9,038,018	35,430,790	10,617,432	568,061	4	2,120,581	7,783,462	66,294,637	75,229,886	527,160	6,184,847	6,277,890
Nationale§	1,195,130	36	14,388,565	31,756,761	17,211,233	415,150	....	69,357	2,687,872	65,122,534	66,939,487	5,803,667	39,740,485	16,847,195
Imperial	994,999	....	14,556,426	27,897,768	23,117,223	813,147	717,861	570,415	5,028,519	48,399,299	142,692,316	1,566,526	8,273,292	7,471,086
Barclays	6,808	....	284,669	3,801,680	2,045,594	11,595	237,000	291,341	2,251,165	279,303	5,779,208	600,020	6,418,070	1,025,857
Total	12,123,838	2,556,401	201,574,648	544,704,153	356,129,118	107,859,249	1,139,868	17,695,166	173,375,628	945,869,699	2,210,650,154	114,344,357	333,106,546	155,371,707

NAME OF BANK	Public Securities other than Canadian	Other bonds and stocks	Call and short loans in Canada	Call and short loans elsewhere	Current loans in Canada	Current loans elsewhere	Loans to provincial governments	Loans to municipalities	Non-current loans	■Real Estate other than Bank premises	Bank Premises	Deposit for note circulation	Other assets	▲Total assets
	$	$	$	$	$	$	$	$	$	$	$	$	$	$
Montreal*	57,802,331	120,437,846	21,025,983	20,921,859	462,500,658	24,180,898	5,139,195	16,539,004	359,699	271,505	17,925,115	206,469	3,073,900	2,071,016,232
Nova Scotia	7,706,864	24,629,381	22,278,524	11,008,710	232,902,892	45,701,515	1,624,897	7,535,286	63,810	3,833	8,670,128	71,471	6,770,113	798,995,957
Toronto	....	15,076,011	7,082,401	....	131,311,773	....	....	5,908,451	22,139	8,528	5,508,390	29,980	63,746	459,388,327
Provincial	....	7,785,278	5,435,766	....	47,124,826	....	64,775	2,699,051	27,814	79,639	2,114,847	14,792	218,641	161,544,337
Commerce†	45,180,287	67,566,114	18,900,469	13,930,413	435,396,993	41,942,352	22,229,813	41,290,302	326,970	253,316	17,014,027	175,000	3,944,153	1,653,098,324
Royal‡	126,896,510	116,817,041	29,579,201	39,518,628	471,433,338	37,502,850	998,072	13,965,814	268,859	258,026	13,601,961	220,000	7,456,248	2,331,985,362
Dominion	3,717,531	7,565,022	4,630,099	5,506,765	149,749,530	1,987,369	....	790,070	19,336	40,749	6,171,992	30,290	308,551	420,912,753
Nationale§	831,587	16,061,158	3,366,689	....	131,868,123	320,501	....	8,367,232	23,639	216,321	6,629,591	30,298	317,762	430,120,167
Imperial	2,470,794	11,459,839	5,852,908	....	182,741,579	102,288	18,912	8,780,353	22,573	....	6,570,423	39,412	70,090	508,473,524
Barclays	3,826,405	250,000	1,132,505	....	4,524,857	....	....	....	839	....	1,336,002	3,433	25,229	34,897,367
Total	248,432,309	387,847,690	119,288,140	90,884,375	2,249,554,569	211,737,773	30,075,364	75,375,683	1,136,678	1,1[illegible]7,006	85,842,485	821,145	22,248,433	8,873,433,36[illegible]

*The business of the Bank in San Francisco, U.S.A., is carried on under the name of a locally incorporated company and the figures are incorporated in the above return.—Footnote to Bank of Montreal return.

†The Canadian Bank of Commerce (California) has been incorporated under the laws of the State of California to conduct the business of the Bank in that State and the assets and liabilities of The Canadian Bank of Commerce (California) are included in the above general statement.—Footnote to The Canadian Bank of Commerce return.

■Includes mortgages.

▲Includes $172,577,194 letters of credit outstanding as shown in liabilities.

‡The Royal Bank of Canada (France) has been incorporated under the laws of France to conduct the business of the Bank in Paris and the assets and liabilities of The Royal Bank of Canada (France) are included in the above general statement.—Footnote to The Royal Bank of Canada Return.

§Banque Canadienne Nationale (France) has been incorporated under the laws of France to conduct the business of the Bank in Paris and the assets and liabilities of the Banque Canadienne Nationale (France) are included in the above general statement.—Footnote to Banque Canadienne Nationale return.

CANADA APPROACHES HALF-CENTURY IN STRONG POSITION

J. L. Carson, *President of*

THE BANK OF TORONTO

Addresses 94th Annual Meeting

Markets and Development of North Essentials of Future Prosperity

Gentlemen:

It is with deep regret that I have to record the passing in October last of our valued colleague, Mr. F. Hedley Marsh.

Mr. Marsh's career in the Bank of Toronto, which commenced with his appointment in 1921 as Western Superintendent, was one of steady progress, and culminated with his appointment as President on February 1, 1942 and as Chairman of the Board on January 21, 1948.

As a result of his long and valued experience, he was widely known throughout Canada, not only as a banker, but for his qualities of heart and mind. His judgment and counsel were highly esteemed by the public and his associates, and he was held in the highest esteem by the members of the staff. His loss is deeply felt by all.

In Canada the tide of prosperity, to which we have referred at our annual meetings for some years past, has continued during the year just ended. Industrial production is at a peacetime high. Capital expenditures continue to be heavy. Purchasing power remains strong and retail sales are above those of a year ago. American capital is flowing into Canada and employment is plentiful. Thus far, Canada has avoided a recession of the type experienced in the United States.

It is reasonable to expect sooner or later some tapering off in the insistent consumer demand which has marked the upswing of the past few years, and a lessening of the urgent activity in capital expansion. Export markets will be less certain. Tax refunds and retroactive payments to wheat growers are declining factors. While business activity is likely to remain at the present high level for a time, it may well be that 1950 will show a moderate decline from the records of 1949. Competition becomes increasingly keen as we go along, with profit margins declining, hence the need for economies and efficiencies in business operations, a cautious inventory policy, and a close check on receivables.

Agriculture

Our wheat crop produced 367 million bushels—26 million less than in 1948, and 38 million below the ten year average. Gross farm income, while slightly down from a year ago, will approximate $2,400 million. Marketing our wheat in the immediate years ahead will be one of Canada's major problems. Our former customers for farm products are bending every effort to become as self-sufficient as possible. A prosperous agriculture means much to the general prosperity of the nation.

Export Trade, United Kingdom

Exports are vital to Canada's economy. Looking ahead, the sale of our export surpluses is not too assuring, largely because Britain is likely to have fewer dollars to spend in Canada. We must be realistic and appreciate that if she is to remain our second largest market we must be prepared to increase considerably our purchases from her. If British exporters could supply Canada with fifteen per cent of the goods which this country at present is buying from the United States, Britain's trade deficit with Canada would be overcome.

It is interesting to note that over the past thirty years British purchases from Canada have exceeded her sales to us by the huge amount of eleven billion dollars. This has been of tremendous assistance in the development of Canada. We and the United States have such a vital stake in the United Kingdom that we can only hope that by continued co-operative and constructive action, particularly on the part of the United States—which has been so magnanimous in their efforts to promote world recovery—we can ease the burden Britain is carrying. Her path out of economic difficulty is not too clear. The crushing burden of taxation and the lack of incentive offered her people impair her ability to compete in dollar markets. To her traditional customers in the sterling area, she has moral obligations and with them she has a profitable trade, but the dollar problem is one which can scarcely be solved without harder work and greater productivity. However, the dogged determination of the British people hitherto has always been seen at its best when they realize that they are in a crisis.

The United States

Canada's economic life is closely linked with that of the United States and, with British purchases diminishing, Canada will be even more heavily dependent on United States and other markets. It will require a high degree of ingenuity, initiative and aggressiveness on the part of our industrialists, with the co-operation of the government, to break new ground and be able to sell at competitive prices. A continuation of the high level of economic activity in the United States of course would assist our own well-being.

RESERVOIR OF TECHNICIANS NEEDED

Further development of the north of course will require the close co-operation of the federal and provincial governments to work out mutual and compensating programs in fur farming, fishing, forestry, and in the development of mineral deposits. The federal government might well assist the universities in training a corps of young men in geology, engineering, chemistry, mineralogy, prospecting, surveying and soil analysis, through well planned courses supplemented by field work. Thus in a decade there would be a reservoir of technical workers for every phase of development of our natural resources.

Add to this a reasonable encouragement of immigration to supply more working and consuming population, and pledges to safeguard and encourage large amounts of risk capital, and we will have the foundation to make the north country play its obviously destined part in a greater and better Canada.

Here again it is interesting to note that over the past thirty years the United States has sold more goods to us than she has purchased from us, to the extent of the huge amount of seven billion dollars. Canada is the United States' best customer. There should be a give and take policy. This all makes for the advancement of international understanding and goodwill between nations—a most desirable objective. Can we not hope for a reduction in tariffs and a simplification of customs procedure so that more Canadian products can get into the American market and bring the trade between the two countries into better balance?

Vigorous Development of the North is the Road to National Security

The Canadian north has possibly the greatest reservoir of undeveloped wealth in the world. To date, less than 20 per cent of the total area has been explored, mapped, surveyed or appraised, and less than half of this part has been prospected. Yet already it provides a substantial proportion of our national income. Vigorous development of the north, and consequent broadening of revenue sources, and reduction of taxation, is of paramount interest to Canada, and would require policies aggressive, courageous and imaginative. The spectacular development in oil production in Alberta is just one instance of what the future has in store. From our forest crop and mineral production, aggregating approximately three billion dollars, it is not difficult to visualize an increase of from 30 per cent to 50 per cent in these industries within a few years.

For what has already been accomplished and is taking place, tribute must first of all be paid to air transit, in which Canadians have kept to the forefront in courage, technical skill and enterprise. Without it, some of our most spectacular developments would have been impossible. Air transportation now serves the explorer, the prospector and the operator, and has become the chief means of access to the greater part of the north country.

Water Power

Another arm in our national strength is water power resources. In the St. Lawrence and Hudson Bay watersheds and the numerous rivers of British Columbia we have something like 100 million horsepower, which is enough to drive the machinery of a top ranking industrial nation and to supply its homes. This vast power potential is assured for all time to come, if properly protected by wise measures of conservation on the part of the federal and provincial governments. Its sources are the rains of summer and the snows of winter, its natural holding grounds are the forests, lakes, swamps and bogs, and we have a climate that co-operates.

Forestry, Minerals, Fish and Furs

The physical assets of the north country are chiefly minerals, timber, fish and furs.

The range of minerals is so great as to include nearly every species of importance, and in no mean quantities. The mineralized area is so vast that there would appear to be ample reserves of gold, copper, lead, zinc, titanium, asbestos, iron, coal, uranium, oil and natural gas, to maintain current production and possibly to double it in the next quarter century.

The contribution of our forests is also well known, and the Canadian Forestry Association in a recent survey stated that Canada can safely expand present production and perhaps double it within the next fifty years if rational management is exercised.

Our fish and fur resources are of lesser importance, but they nevertheless continue to play a considerable part in our national economy.

May I conclude this reference to our north country with a request that we keep engraved upon our minds these important words: Power—Minerals—Forests—and that we think of them in terms of both Conservation and Development, for only through the wise management indicated by these terms can we get the best out of them for the future of Canada.

Markets

By 1975 the United States will have a population of probably 180 million people. The United States will then provide a ready market for most of the things we produce. By that time our own needs and the needs of the world will have grown comparably with those of our great neighbor. The United States is largely self-contained and also highly productive, but its very productivity makes it an increasing absorber of raw materials of every kind—even where it has a domestic supply it still feels the need of supplementing from outside, and no source is as convenient as is Canada.

In passing, one wonders how long less than fifteen million people will be allowed to pre-empt half a continent, particularly half a continent so rich in everything the world needs. We are trustees for the world of these riches. Immediate and vigorous development of the North is the road to national security now and in the future.

A Mid-Century Look Backward and Forward

As we are now in 1950—the year which marks the turn in the 20th century, we can appropriately view the changes which are taking place, because by every test this is one of the most remarkable eras in the world's history. Canada is not at the top of the world, but its place is increasingly important. In the production of nickel, platinum, asbestos, radium, uranium and newsprint, Canada stands first in the world. In hydro-electric power, aluminum and gold, and in the export of wheat, we are second. Canada stands third in copper, zinc and silver, and fourth in lead. In volume of external trade we stand second per capita, and third in gross volume.

In living standards we are second, and our prosperity is reflected in the fact that our gifts, loans and contributions arising out of the late war totalled six billion dollars.

Here are a few figures which measure our growth of the half century. From the 1901 census to the 1949 estimate, population is up from 5,371,000 to 13,500,000. From 1900 to the most recent figure, imports are up from $170 million to $2,800 million, exports from $183 million to $3,000 million, life insurance in force from $431 million to $14,200 million. The number of branches of our chartered banks is up from 708 to 3,543, their deposits in Canada from $313 million to $7,700 million, and their loans in Canada from $360 million to $2,500 million.

It is interesting to note that the total assets at the end of November last of The Bank of Toronto are equal to the total assets in 1900 of the 20 Canadian Chartered Banks then operating. Thus while the 20th century may not be ours alone, it is one in which we are forging ahead, and should continue to forge ahead. Our economic development has been tremendous. We are at the threshold of a new and greater economic era. Ours is a great heritage—economic, political and spiritual. We must take an increasing share in shaping human destiny, and in so doing let us also have due regard for sharing our privileges and opportunities and at the same time safeguarding our priceless liberties.

Assets and Earnings Stand at Record Height

GENERAL MANAGER STRESSES YOUTHFUL OUTLOOK OF LONG ESTABLISHED BANK

L. G. Gillett Announces Expansion Plans in Quebec and Maritimes

Mr. Chairman and Gentlemen:

It is my privilege to comment on the Ninety-fourth Annual Statement of our Bank, which has been presented to you today.

Profits this year have been excellent. After full provision for Bad and Doubtful Debts, and the usual contribution to the Pension Fund, earnings of $2,529,969 were $416,673 higher than a year ago. Government Taxes were, of course, up correspondingly and show an increase of $94,803. In addition, Depreciation on Premises and Equipment was increased substantially by $157,129 to $336,009, the full amount permitted under tax regulations. Your management has also considered it advisable to add to this write-down a further and special appropriation of $200,000 from Profits after taxes. Our Premises Account is growing rapidly, and, particularly in view of the present high level of building costs, it is considered prudent, as far as is possible, to restrict the total to an amount in proper relation to our shareholders' funds.

Distribution to shareholders, $840,000, representing dividends at the rate of $1.20 a share, plus a year-end bonus of twenty cents a share, was the same as a year ago, leaving $315,562 carried forward to Profit and Loss Account, $35,258 less than a year ago, but nevertheless a very satisfactory showing. Our shareholders' funds consisting of Capital, Reserve Fund and Profit and Loss Account now total $21,430,000.

Total Assets

Although not showing the sharp increase of a year ago, reached a new peak at $459,000,000, up $23,000,000.

Securities

At $224,000,000 are $10,900,000 higher. Our investments are all of high grade, $203,000,000, or 90%, consisting of Dominion and Provincial bonds, and the increase for the year is all in this category.

Call Loans

At $7,000,000 are down $1,400,000. All are, of course, fully protected by readily marketable securities.

Current Loans and Discounts

At $131,000,000 are up $5,500,000, a satisfactory gain. Loans to cities and other municipal bodies, $5,900,000, are up $2,000,000.

Bank Premises

At $5,500,000 are higher by $454,000. Our important new building at Edmonton is close to completion, while during the year we erected new offices for our Market Branch, Hamilton, and for a new branch on Jean Talon Street, Montreal. Two further buildings are under construction in suburban Toronto and are well under way. By spring a start will be made on the erection at Victoria of new premises for our Main Office at that point. Our present office has outlived its usefulness, and the new building will be commodious and in keeping otherwise with the importance of the branch. New buildings are planned for our main branches in Winnipeg and Windsor, and we hope their erection will not be long delayed.

Our program of renovating and modernizing existing premises, replacing them where necessary, in addition to provision for newly established branches, must go steadily on. We realize, however, that we must heed ourselves the advice we often give customers not to tie up in bricks and mortar too large a proportion of their capital, and it will continue to be our policy to keep down the amount of our Premises Assets by application of depreciation to the full extent our earnings permit.

Notes in Circulation

This heading appears in our Statement for the last time. Before the end of this month we will pay to the Bank of Canada the amount of our notes still outstanding and from then on they will provide for their redemption. The double liability of our shareholders thus comes to an end.

Deposits

Reached a new high at $427,000,000, up $22,000,000 from a year ago, the increase being chiefly in deposits bearing interest which at $279,000,000 are $14,000,000 higher.

Branches

We opened four new offices during 1949 and now have a total of 212, an increase of 37 since the war ended. The opening of six additional branches is already arranged for this year, including offices at Halifax and Quebec. We have purchased buildings at both points and are pleased that in a few months' time we will have direct representation in these important cities.

Inspections

The Bank's Inspectors have, during the year, inspected all branches with the exception of three opened in the last few months, and the shareholders' auditors have made the customary audit of cash, securities, and loans at Head Office and the principal branches at Toronto, Montreal, Winnipeg and Vancouver.

Thanks to Staff

It is the custom to comment on our staff at this point and it is with pleasure that I pay tribute to them for the excellence of their work throughout the year. The whole-hearted support of every officer and employee has been cheerfully given and is gratefully acknowledged. You will be pleased to know that suitable recognition in the way of increased salaries and cash bonuses has been given.

The staff numbers 2,277, an increase of 63 in the year, and is 58% male.

This Bank is always on the lookout for bright young men who have the education and background to fit them for a career in banking—one of the oldest and still one of the best regarded of all professions. I wonder if—to attract ambitious young men—banks generally have not placed too much emphasis on the security which their employment provides. Security there is, to be sure, and will be, but there are many other more important factors and to those willing to work hard and accept responsibilities a career in this Bank offers exceptional opportunities—better today than ever before.

Customers and Shareholders

It is our duty, and pleasure also, to acknowledge our indebtedness to our customers and shareholders for their loyalty and support throughout the year and for their part in making this Statement a success. To each and every one we extend our thanks.

The Future

What does 1950 hold in store for us? 1949 was a good year, and undoubtedly better than was anticipated twelve months ago. Capital investment held up well, and business in general, while moving out of the boom period, was on the whole prosperous. The moderate recession which occurred to the United States was scarcely felt here. For once, the economies of the two countries seemed to take a divergent course, although it may well be that the down turn in the States was too slight and too brief to affect us.

We cannot, however, be too confident of the immediate future. The full effects of currency devaluation have yet to be felt, and with the international situation as it is, unfavourable situations further affecting our export trade may develop.

Our attitude, however, is merely cautious, not pessimistic. It is true that generally speaking informed opinion looks for a continuation of good business for the next six months, with possibly a moderate turn down in the latter part of the year, but if such should occur it cannot be unexpected. For the long pull, however, no Canadian can be other than optimistic. Two things I am sure of—that no people in the world are better off than are we, and that barring world catastrophe no country has a brighter future than has Canada.

In conclusion, I have just one further thought. Often we hear it said that as we come into a more competitive period a good many concerns born in boom time may fall by the wayside, but that it will be the older and more experienced companies that will come through. There is truth in this, but we are not in full agreement. This is a young man's country, and in the years of expansion ahead there is, as compared with today, ample room for additional thousands of prosperous, important concerns. Wisdom is looked for with age and experience, but youth has vision and vigor.

We pride ourselves that The Bank of Toronto is regarded as an extremely sound institution, but we have no desire to be thought of as ultra conservative. We like to form connections with young people and with new concerns, because if of the right type, enterprising and with good ability, they will be our important customers tomorrow. Any such are always welcome at The Bank of Toronto and their plans and aspirations assured of a sympathetic and understanding hearing.

THE BANK OF TORONTO

BT-50

Addresses Made at the Annual Meeting of Shareholders

The Royal Bank of Canada

President's Five-point Programme for World Trade Recovery Includes Warning That Debtor Countries Must Do Their Share And Calls for Exchange Stabilizer Similar to Gold Standard

Canada's Reputation Abroad, Her Record of Achievement, and Fundamental Strength Offset Anxieties Caused by World Conditions — Development of Resources, Increase of Population, and Foreign Trade Will Guarantee Pre-eminent Place in Economy of Nations

Private International Investment and Freedom of Trade Are Prescribed for World's Economic Health

General Manager Reports Deposits Increased Two-and-a-half Times in 9 Years — The Royal Bank of Canada Has Nearly Two Million Deposit Accounts — New Branches Bring Total to 727 at Home and Abroad — Shareholders Increased 25.75 Per Cent in Five Years

The Eighty-First Annual General Meeting of the Shareholders of The Royal Bank of Canada was held at the Head Office in Montreal on Thursday, January 12th, at 11 a.m., Mr. James Muir in the chair.

The Chairman called on the Secretary to read the Directors' and Auditors' Reports.

DIRECTORS' REPORT

The Directors have pleasure in submitting to the shareholders the Eightieth Annual Report for the year ended 30th November, 1949, together with the Statement of Assets and Liabilities and Statements of Controlled Companies.

PROFIT AND LOSS ACCOUNT

Profits for the year ended 30th November, 1949, before Dominion and provincial government taxes, but after contribution to Staff Pension Fund, and after appropriations to Contingency Reserves, out of which Reserves provision for all bad and doubtful debts has been made		$10,918,243.18
Provision for Dominion and provincial government taxes	$4,435,000.00	
Provision for depreciation of Bank Premises	655,721.31	
		5,090,721.31
		$5,827,521.87
Dividends at the rate of $1.00 per share		3,500,000.00
Amount carried forward		$2,327,521.87
Balance of Profit and Loss Account, 30th November, 1948		1,532,792.06
Balance of Profit and Loss Account, November, 1949		$3,860,313.93

JAMES MUIR,
President

T. H. ATKINSON,
General Manager

The assets of the bank have been, as usual, carefully revalued and adequate provision made for all bad or doubtful debts. The Head Office and all of the Canadian branches were inspected during the fiscal year in accordance with the usual practice. Except in a few cases all foreign branches also were inspected; those which were not examined during the twelve months ended November 30th will be inspected at an early date.

During the year twelve new branches and six new sub-branches were opened in Canada, and one new branch in British Guiana, one branch in Colombia, South America, was closed. The total number of branches and sub-branches in operation at November 30th was 727, of which 665 were in Canada and sixty-two in other countries.

With deep regret we record the deaths of Mr. G. Harrison Smith on February 17 and Mr. N. L. Leach on October 31st. Mr. Smith had served as a Director since 1930 and Mr. Leach since 1936. On May 31st Rt. Hon. J. L. Ilsley, P.C., K.C., found it necessary to retire from the Board; Mr. H. H. Hewetson also retired on October 18th and Mr. J. S. Norris on December 13th. On September 27th Mr. E. B. McInerney of London, England, was appointed a Director, and on November 1st Mr. G. L. Stewart of Toronto.

In October Mr. Sydney G. Dobson retired as President of the bank and was elected Chairman of the Board. Mr. James Muir, formerly General Manager, was elected President in his stead, and Mr. T. H. Atkinson, heretofore Assistant General Manager, was appointed General Manager to succeed Mr. Muir.

Your Directors wish to express once more their appreciation of the efficient and praiseworthy manner in which the officers and staff of the bank continue to perform their respective duties.

All of which is respectfully submitted.

JAMES MUIR,
President

AUDITORS' REPORT

TO THE SHAREHOLDERS, THE ROYAL BANK OF CANADA:

We have examined the above Statement of Assets and Liabilities as at 30th November, 1949, with the books and accounts of The Royal Bank of Canada at Head Office and with the certified returns from the branches. We have checked the cash and the securities representing the Bank's investments held at the Head Office at the close of the fiscal year, and at various dates during the year have also checked the cash and investment securities at several of the important branches.

We have obtained all the information and explanations that we have required, and in our opinion the transactions of the Bank which have come under our notice have been within the powers of the Bank. The above statement is, in our opinion, properly drawn up so as to disclose the true condition of the Bank as at 30th November, 1949, and is as shown by the books of the Bank.

A. Ballantyne, C.A.,
of Peat, Marwick, Mitchell & Co.
M. Ogden Haskell, C.A.,
of Haskell, Elderkin & Co.
Auditors.
Montreal, 21st December, 1949.

PRESIDENT'S ADDRESS

Mr. Muir, the President, in moving the adoption of the Directors' Report, said:

In opening my remarks, I should like to refer to the executive and administrative changes which have taken place at Head Office since our last Annual Meeting. In October Mr. S. G. Dobson, President of the bank since June 1946, relinquished this office upon his election as Chairman of the Board of Directors. I was elected President in succession to Mr. Dobson.

At this time I wish to welcome my successor, Mr. Atkinson, in the role of General Manager. His business career has been laid entirely within the bank and by first-hand service in all its departments he has gained the knowledge and experience to equip him for the heavier responsibility he has assumed.

It is with deep regret that I mention the loss by death during the year of two of our Directors—Mr. G. Harrison Smith and Mr. N. L. Leach, the former a Director since 1930 and the latter since December 1936. We all mourn the passing of these valued and highly esteemed colleagues.

The Right Honourable J. L. Ilsley, P.C., K.C., retired as a Director upon his appointment to the bench of the Supreme Court of Nova Scotia. Mr. Henry H. Hewetson relinquished his directorship consequent upon his moving from Toronto to New York in order to continue his important business pursuits. It is unfortunate we should be deprived of the valuable services of these gentlemen, but circumstances make this inevitable.

I also wish to mention the retirement of Mr. J. S. Norris which took place at his request a few weeks ago. Mr. Norris made plain his desire to make room for a younger man, and he also believed his retirement would be appropriate in view of the fact that he has very substantially reduced his active business interests. A member of the Board since December 1933, Mr. Norris' service has bridged over one of the most important periods in Canada's history. During the same time the business of the bank has shown marked expansion and we shall always remember and appreciate his counsel and advice.

During the year, Mr. E. B. McInerney, Manager of our London, England, Branch, reached retirement age and, upon giving up his duties, was appointed a Director so that the bank may continue to benefit from his unusual experience and service.

Mr. G. L. Stewart, President of Imperial Oil Limited, Toronto, was appointed to the Board in November last.

We shall ask you today to elect three new Directors: Mr. A. E. Grauer, Mr. E. P. Taylor, C.M.G., and Mr. Colin W. Webster.

The eightieth Annual Report and Balance Sheet presented today will be reviewed in detail by the General Manager and will, I am certain, receive your full approval. The figures not only reflect continued growth in the volume of the bank's business but also display an all-round strength unsurpassed in our history.

The bank has completed eighty years of banking service at home and abroad. Parenthetically, I might say that when we count the preceding generation made up, as it were, of banks we have amalgamated, in that sense your bank is in the position of having rendered service for more than one hundred and thirty years.

It is customary on these occasions to review the most important economic events of the past year. I shall do this briefly under two main heads: first, the world picture; and second, that part of the world picture that concerns us most directly as Canadians, the Canadian economy today.

THE WORLD PICTURE

In 1949, the world continued to be faced with an apparent shortage of U.S. dollars. I say "apparent" because the so-called "shortage" is really the sympton of a fundamental unbalance in international trade. The world would like to buy from the United States more than it is able to pay for through exports of goods and services to the dollar area; and this merchandise-and-service deficit is larger than the current process of private investment can offset or foreign reserves of gold and dollars can sustain. In addition there is a smaller, but still significant, shortage of Canadian dollars, arising from similar causes; and there are local and regional shortages of other currencies depending in each case upon the relative "hardness" of the currency concerned compared with certain other currencies within a given trading orbit.

It may afford us some mild comfort to recall that there have always been relatively "hard" and relatively "soft" currencies since the beginning of large-scale international trade. In the nineteenth and early twentieth centuries the pound sterling was the hard currency in general demand. Nevertheless, there was no chronic shortage of sterling before 1914 in the sense that we have a "dollar shortage" today. Even after 1920, the unbalance leading to a dollar shortage was not apparent until Britain's ill-fated attempt in 1926 to defend the pre-war parity of the pound in spite of her greatly reduced post-war circumstances. The result was the collapse of the gold standard under the added strain of American depression and the American high-tariff policy of 1930-34. Again, as in 1920-25, exchange-rate adjustment brought relief to some countries, such as Great Britain, the sterling area, and France. But the countries of Central Europe forecast the shape of things to come by maintaining overvalued currency rates through the rigid control and rationing of foreign exchange.

It would be wrong to say that exchange-rate movements have in the past provided a cure-all for unbalanced trade. But they had their place. Several important factors contributed to the enduring dependability of the sterling standard. First, debtor nations accepted exchange parities which they were able to maintain through relatively small adjustments of prices and money incomes. Second, debtors were willing to accept the discipline of the gold standard and to acquiesce, under the rules of that standard, in the price and income adjustments which their trading position required. And third, the world's creditor, Great Britain, made additional sterling available through the vigorous international lending of her financial and business community and the free trade policy of her government.

COMBINE PAST AN' PRESENT

In meeting any emergency we must combine the lessons of the past with inventiveness and imagination in the present. In the past, as in any relatively "normal", period, responsibility for international economic stability was divided between the creditor and debtor countries of the world. But, in the period immediately following the second world war the primary responsibility lay with the creditors; and in meeting this responsibility the United States and Canada embarked on an unprecedented program of loans and gifts to the war-torn countries of Europe. An imminent U. S. dollar shortage of her own eventually forced Canada to abandon the making of further loans and gifts, and so it came to pass that the financial burden fell entirely on the United States. Here the inventiveness and imagination to which I have referred came to the rescue with the greatest innovation in international finance since wartime Lend-Lease: I refer of course to the Marshall Plan.

During the past year Europe has continued to draw on Marshall aid, as she has done since April 1948. But the period of emergency must eventually end, and normal methods of financing world trade must be resumed. Officially, the emergency period, as far as Marshall aid is concerned, will end in 1952. It could be argued that the emergency period ought to end as soon as production per head is restored to pre-war levels in countries receiving emergency aid.

Actually, the Economic Commission for Europe has estimated that in 1948 output per worker in all but the defeated countries had reached or surpassed the pre-war level. Even with a large allowance for error, the recovery indicated is remarkable; and sooner or later some reason other than the "failure of production" will have to be found to justify recurring exchange crises with their counterparts; extension of the "emergency" period and requests for renewed and even increased foreign aid.

EFFICIENT PRODUCTION

We are at a stage now in which responsibility for restoring balance in our international economy must be more evenly divided between creditor and debtor nations than it could be in the period immediately after the war. The nations of Europe, through their own efforts and with the help of loans and gifts from abroad, have built up their production to the pre-war standard. Further progress in production would be immensely beneficial, but the immediate problem has become not production as such but efficient production. In other words, we are back to "normal times" again in the sense that the old problems of competition in international trade, such as costs, prices and salesmanship must once more be met. Under these conditions, we still need the inventiveness and imagination which have helped debtor and creditor countries by co-operative effort to progress as far as they have along the road to world recovery. But we need also to restore as nearly as we can the favorable economic environment that made international stability possible in the golden age of the sterling standard.

This problem cannot be solved in a single step. In fact, several steps must be taken if the world is to achieve international economic stability. If these steps had been taken sooner, the shock and possible disappointment of the recent devaluations might have been avoided. However, devaluation has at least broken the log jam; but we must take immediate advantage of this initial break in the barriers to trade which have been thrown up by overvalued exchange rates and rigidly held in place by government controls.

FIVE STEPS TO STABILITY

The steps, in my opinion, are as follows:

First, nations of the world should re-learn a basic lesson of the first world war, and settle their war debts. Thanks to Lend-Lease and Hyde Park, these debts today are confined largely to about £3½ billions which Britain owes for the most part to India and Egypt. As everyone knows, these debts were incurred largely for military operations in the common cause of all nations allied against the Axis powers. From these operations the creditor nations themselves — like all Britain's allies —drew substantial aid and protection. In the name of justice and expediency, now is the time for agreement and action to remove this burden on Britain's economy and wipe out the greatest single threat to the stability of the pound.

Second, for a certain fixed period, we should let the market determine rates of exchange, as it did immediately after the first world war. This means free exchanges, except for government pegging against violent movements due to speculative capital flows. It means abandoning at least temporarily the rigid exchange parities established by the International Monetary Fund. We need not abandon the Fund Agreement: in fact, we may find it useful after the free exchange market has done its work.

Third, at the end of this period of free-market valuation, we should stabilize currencies by reference to the rates which the free market has determined. In this way we could avoid the errors of over- and undervaluation that doomed the return to gold in the 1920's.

Fourth, having stabilized exchange rates at the level decreed by the free market, the world must adopt some device to keep them that way. The gold standard was such a device. Under the gold standard, limited exchange-rate movements and, if necessary, changes in prices and national incomes combined to keep the international economy on an even keel. Thus the gold standard kept nations within their means before the days of the great illusion that international equilibrium can only be achieved by clamping the fetters of exchange control upon free international trade.

But even the passage of time and the restoration of realistic exchange rates may not destroy all the political and economic obstacles that today prevent the return to gold. Were it possible, however, to restore gold, these obstacles might be further reduced by widening the spread between the buying and selling prices for gold; that is by artificially widening the parity range set by the gold shipping points. In this way painful price and income adjustments might be smaller and less frequent than under the traditional gold standard.

CURRENCY MANAGEMENT

But the modern vogue for managed currencies might cause even this modified gold standard to be politically unacceptable in which case we should have to settle for a weaker compromise. If some equivalent of the gold standard is adopted as a compromise, the essential features of the gold standard must nevertheless be retained. Exchanges may be pegged not through the automatic mechanism of the gold standard but through the use of stabilization funds. But the parallel with the gold standard must be carried further. The ultimate defence against loss of gold and foreign exchange must continue to be not exchange controls, but adjustment of prices and national incomes, or, in extreme cases, movement of the exchange rates themselves. We would then have a flexible mechanism which would be the equivalent of the modified gold standard previously discussed.

Whatever device is adopted, the International Monetary Fund could be extremely useful, not only in bridging temporary gaps with stabilization loans but more important still, by policing its members and employing all its not inconsiderable powers to prevent the reappearance of exchange control.

Fifth, the gold standard (or its equivalent) must be made to work by the proper discipline not only of debtor but of creditor nations as well. This means a return to the two basic requirements of respon-

(Continued on page 25)

CANADA FACES THE FUTURE CONFIDENTLY

"It is refreshing to turn from Canada's difficulties in the next few months to her prospects over the next few years." . . . Mr. Muir.

The unvarnished fact is that the big international problems are still with us; and Canada especially finds her domestic problems greatly complicated by her unique position in world economy. I shall consider Canada in 1949 under four main heads: (1) Canada's reputation, (2) Canada's record, (3) Canada's weakness, and (4) Canada's strength.

(1) **Canada's Reputation.** Canada's reputation is one of which Canadians can be proud. With the usual discount for politeness, one gathers from foreign visits and foreign visitors that Canada is at once a bulwark of free enterprise, and a model for wisdom in government regulation; the possessor of an admirable private banking system and of the best practice in efficient Central Bank control; the stronghold of a sound conservative tradition and the home of interesting experiments in political and economic order . . .

(2) **Canada's Record.** The year 1949 saw a further increase in Canada's industrial plant and equipment, the maintenance of the high levels of consumption attained in 1948, and the over-all expansion of the net and gross national product beyond the record levels of a year ago. . . . It is important to note that Canada is one of the few countries today that can still boast a substantial budget surplus. This not only contributes to stability, but it turns prosperity to good account by improving the credit of the government.

(3) **Canada's Weakness.** Against this favorable record for 1949 must be placed a few gloomy notations which, however, need not perturb us unduly if we handle ourselves properly. These concern most of all our export position. . . .

The most favourable development in our world trade would be an increase in our imports from Europe and especially from the United Kingdom, or increased dollar earnings by these countries in their trade with the United States. To wipe out our U. S. dollar deficit would involve a shift of a comparatively small percentage of our present imports from the United States to European sources of supply; and a shift of a similar portion of our export trade from overseas channels to United States markets. . . .

(4) **Canada's Strength.** It is refreshing to turn from Canada's difficulties in the next few months to her prospects over the next few years, or better still over the next decade and many more to come. We have the essential elements that need only a little time to bring about an enormous increase in our national wealth. These sources of economic strength are our natural resources and the temper of our people.

HIGHLIGHTS

MR. MUIR SAID:

The bank has completed eighty years of banking service at home and abroad. Parenthetically, I might say that when we count the preceding generation made up, as it were, of banks we have amalgamated, in that sense your bank is in the position of having rendered service for more than one hundred and thirty years.

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In meeting any emergency we must combine the lessons of the past with inventiveness and imagination in the present. In the past, as in any relatively "normal" period, responsibility for international economic stability was DIVIDED between the creditor and debtor countries of the world. But, in the period immediately following the second world war the primary responsibility lay with the CREDITORS; and in meeting this responsibility, the United States and Canada embarked on an unprecedented programme of loans and gifts to the war-torn countries of Europe.

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We are at a stage now in which responsibility for restoring balance in our international economy must be more evenly divided between creditor and debtor nations than it could be in the period immediately after the war — we are back to "normal times" again in the sense that the old problems of competition in international trade, such as costs, prices and salesmanship, must once more be met. Under these conditions, we still need the inventiveness and imagination which have helped debtor and creditor countries by co-operative effort to progress as far as they have along the road to world recovery. But we need also to restore as nearly as we can the favourable economic environment that made international stability possible in the golden age of the sterling standard.

●

If some equivalent of the gold standard is adopted as a compromise, the essential features of the gold standard must nevertheless be retained. Exchanges may be pegged not through the automatic mechanism of the gold standard but through the use of stabilization funds. But the parallel with the gold standard must be carried further. The ultimate defence against loss of gold and foreign exchange must continue to be not exchange controls, but adjustment of prices and national incomes, or, in extreme cases, movement of the exchange rates themselves. We would then have a flexible mechanism which would be the equivalent of the modified gold standard previously discussed.

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Canada's scarcest natural resource is her working population. Here, as with our forests, mines and oil fields, we must practice conservation through the wise and economical use of what we have. But to parallel our new discoveries and to ensure their full and efficient use we must embark on a bold policy of immigration. In this way we can increase the quantity of the one resource that is in short supply. In this way we can remove the one factor that sets a present limit to the growth of our national wealth. Against this prospect the few hundred millions of U. S. dollars that measure our present dollar difficulties pale to insignificance.

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We should not be either exalted or depressed by immediate conditions, but we must realize that our national income has in the past followed the fortunes of our export trade with a lag of from three to six months. The plain truth is that Canada's domestic prosperity depends upon our handling of a complicated foreign trade problem.

JAMES MUIR
President
The Royal Bank of Canada

MR. ATKINSON SAID:

Deposits are at a new all-time high of $2,192,140,000, an increase of $124,651,000 during the year. This represents not only larger accumulations of cash by former clients but a further expansion in the number of depositors. We are now conducting almost 2,000,000 deposit accounts on our books. This includes upwards of 1,500,000 savings accounts in Canada.

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In order to better serve the public in districts which are expanding we opened twelve branches and six sub-branches in Canada. At the year-end we were operating 665 branches in Canada and 62 abroad.

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It is gratifying to report a continued increase in the number of the bank's shareholders. A total of 15,562 at the end of November represents an increase for the year of 685 and this total is 25.75 per cent above the number five years ago. This wide distribution of ownership reflects the interest in the bank of Canadians from all walks of life and from all sections of this great country.

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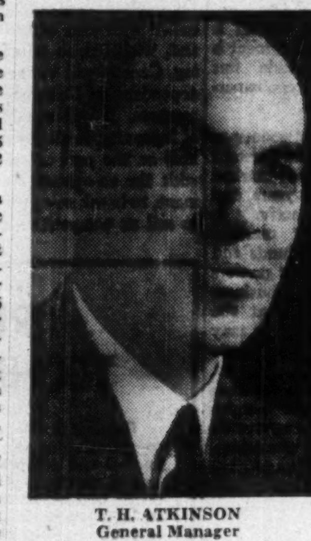
For well over a quarter of a century we have operated an extensive chain of our own branches in foreign countries; in fact, at certain points we have been established for over half a century, and as at November 30, 1949, we had 62 offices which included representation in the key cities of the major South American Republics, throughout the Caribbean area and, of course, we are established in London, England, and New York City, and our affiliate operates in Paris, France.



T. H. ATKINSON
General Manager
The Royal Bank of Canada

GENERAL MANAGER'S ADDRESS

T. H. Atkinson, General Manager, referred to the Financial Statement as follows:

The Annual Report and Balance Sheet which is now before you is the eightieth issued by this bank and, in accordance with our custom, I shall discuss the more important items in the report.

With two exceptions the assets of the bank have increased year by year for the past 15 years and the year just closed maintained that pattern. You will notice the assets now stand at $2,334,985,000, an increase of $112,498,000 over the total reported a year ago. While we are naturally gratified to see our business expanding in volume, we are always conscious of the fact that our proper function is to provide efficient banking service to the people in all sections of this vast country rather than to have as a goal greater and greater totals.

In examining the Balance Sheet it will be observed that the liquid assets of the bank, i.e. cash and its equivalent, amount to $1,677,489,000. This is the aggregate of cash and balances with other banks $432,000,000; Dominion and Provincial securities readily marketable and in the main of short term $897,338,000, and other quickly realizable assets. These liquid assets represent 76.27% of our total liabilities to the public.

Loans in Canada other than call loans have been relatively stationary, being up $8,767,000 to a total of $486,666,000. It may be regarded as a healthy sign that the postwar expansion has run its course and that relatively more stable condition now prevail.

DEPOSITS

Deposits are at a new all-time high of $2,192,140,000, an amount two-and-a-half times that of 9 years ago, and an increase of $124,651,000 during the year. This represents not only larger accumulations of cash by former clients but a further expansion in the number of depositors. We are now conducting almost 2,000,000 deposit accounts on our books. This includes more than 1,500,000 savings accounts in Canada.

EARNINGS

You will, I am sure, be pleased to observe an increase of $1,400,810 in profits over the previous year, after making full provision for all debts regarded as doubtful of collection. After provision for Dominion and Provincial taxes amounting to $4,435,000, there remained $6,483,243. Normal depreciation on bank premises of $655,721 was deducted. From the balance remaining $3,500,000 was paid in dividends, leaving $2,327,521 to be credited to Profit & Loss Account. This amount, plus the balance of $1,532,792 carried forward from last year, makes the sum of $3,860,313 to carry forward.

BANK PREMISES

During the year, substantial progress was made towards the provision of new premises where the need was acute, as well as the improvement of existing offices. Since our last report eleven new branch offices have been constructed at points where facilities were inadequate and where extension of existing premises was impracticable and at forty-six other points improvements and extensions of a major character have been completed. However, we still have much to do in order to place all our premises in the condition we should like.

BRANCHES

In order to better serve the public in districts which are expanding we opened twelve branches and six sub-branches in Canada. At the year-end we were operating 665 branches in Canada and 62 abroad.

CIRCULATION — SHAREHOLDERS' LIABILITY

Prior to 1936, in the event of insolvency, each shareholder was legally liable for the payment of an amount equal to the par value of shares held. This was commonly referred to as the double liability. The privilege of issuing bank notes was gradually curtailed from that year and since 1944 banks have been prohibited from paying out their own notes. Co-incidental with the reduction of the note-issuing privilege, shareholders' percentage of liability was gradually reduced. Since 1944 notes have been redeemed and cancelled as presented for payment but there still remains outstanding a residual amount. Before the end of this month, in accordance with the law, the balance of our outstanding circulation in Canada will be paid over to the Bank of Canada which will then assume responsibility for the payment of banks' notes as they are presented. In future the ownership of bank shares will not entail a liability.

SHAREHOLDERS

It is gratifying to report a continued increase in the number of the bank's shareholders. A total of 15,562 at the end of November represents an increase for the year of 685, and this total is 25.75 per cent above the number five years ago. This wide distribution of ownership reflects the interest in the bank of Canadians from all walks of life and from all sections of this great country.

ACTIVITIES ABROAD

The published report of the proceedings of this meeting will include a review of conditions at home and in the countries abroad where we operate, but it is fitting that I should make some reference now to the international character of our banking activities.

For well over a quarter of a century we have operated an extensive chain of our own branches in foreign countries; in fact, at certain points we have been established for over half a century, and as at November 30, 1949, we had 62 offices which included representation in the key cities of the major South American Republics, throughout the Caribbean area and, of course, we are established in London, England, and New York City, and our affiliate operates in Paris, France.

Our business abroad fluctuates with the changing conditions in the various countries. Foreign Government regulations bearing mainly on the import and exchange situation have affected us but reduced operations in some places have been compensated at other points with the result that overall earnings continue at satisfactory levels. The actual profits earned by these branches and remitted to Canada represent a worthwhile contribution to the bank's income and in addition these branches direct considerable business to our Canadian Branches.

Protective tariffs, quotas, exchange and other barriers, of course, work against a free flow of trade but there are many indications that trading relations between the countries of the Western Hemisphere will be more closely united than has been the case heretofore and we think there is an opportunity for Canada to share in these markets as they develop. If the prices for primary export products remain at satisfactory levels it will be reasonable to expect the exchange position and purchasing power of these countries to improve, and as other markets disappear Canada must look to these countries as outlets for exportable surplus although in turn we must be prepared to accept raw materials and to some extent also merchandise from them.

Having been established for a long period in Central, South America and the West Indies with an experienced field organization, we are well to the fore in international banking and have become well known to large British and U. S. companies operating in these countries.

The widespread chain of branches coupled with our extensive correspondent relations throughout the world serves as a constant source of statistical and other information including import and exchange regulations which otherwise might not be readily available to us, and our central bureau in Head Office is thus in a position to give up-to-date and complete information to Canadian companies and others having under consideration establishing business relations with clients abroad.

Apart entirely from the direct benefits in earnings derived from our external operations we firmly believe that through helpful information given to Canadian businessmen our foreign organization will continue to serve a most useful purpose to Canada in the development of markets abroad for surplus goods.

STAFF

I have been peculiarly fortunate in that the nature of my duties for many years has given me a great deal to do with the supervision of our personnel and the time has come to mention our staff. It is a problem to find a new way of saying once again what is abundantly true every year: the staff did a grand job, and that is what makes possible our splendid financial showing.

There's nothing this Bank is prouder of than the quality of its personnel. To be a bank officer requires peculiar qualities of mind and of heart. A man or woman behind a bank counter must be clear-headed every minute of the day, quick witted, and keen in thought. But more is needed: the ready sympathy to understand the embarrassment of a caller who is overawed by contact with a bank, and to do something about it: the friendly spirit that sends a worried customer — worried about business or personal affairs, it doesn't matter which — to send that customer away with a brighter outlook on life because of a few kindly and thoughtful words.

That combination of mental acuteness and graciousness of spirit is a rare asset, and I have no hesitation in saying that the men and women on our staff have it in really extraordinary abundance.

Within every officer, I believe, there is a fine sense of pride in this great institution — pride not only in its achievements and its pre-eminent place in Canadian and world banking, but pride, too, in its being a good place to work. The executive, supervisors and branch managers have all travelled the long road of apprenticeship within the Bank; they talk the same language as the young people who are following the same route, and they are united in trying to make working conditions as pleasant as possible.

What I have said applies not only to our 11,000 office workers, but also to our 1,200 maintenance and service workers, elevator operators and specialists of one kind or another. Everyone in this Bank is one of a great team. The result of co-operation is seen in our balance sheet, and it is with deep appreciation, as well as personal sentiment, that I say, on behalf of the executive, thanks to the staff for the year's splendid work.

Royal Bank of Canada Is Proud of its Staff; Maintains Tradition As the "Friendly Bank"

In paying tribute to the bank staff, Mr. Atkinson said: "There's nothing this Bank is prouder of than the quality of its personnel. To be a bank officer requires peculiar qualities of mind and of heart. A man or woman behind a bank counter must be clear-headed every minute of the day, quick witted, and keen in thought. But more is needed: the ready sympathy to understand the embarrassment of a caller who is overawed by contact with a bank, and to do something about it: the friendly spirit that sends a worried customer—worried about business or personal affairs, it doesn't matter which—to send that customer away with a brighter outlook on life because of a few kindly and thoughtful words.

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"Within every officer, I believe, there is a fine sense of pride in this great institution—pride not only in its achievements and its pre-eminent place in Canadian and world banking, but pride, too, in its being a good place to work. The executive, supervisors and branch managers have all travelled the long road of apprenticeship within the Bank; they talk the same language as the young people who are following the same route, and they are united in trying to make working conditions as pleasant as possible.

"What I have said applies not only to our 11,000 office workers, but also to our 1,200 maintenance and service workers, elevator operators and specialists of one kind or another. Everyone in this Bank is one of a great team. The result of co-operation is seen in our balance sheet, and it is with deep appreciation, as well as personal sentiment, that I say, on behalf of the executive, thanks to the staff for the year's splendid work."

The Royal Bank

(Continued from page 24)

sible creditor nations: vigorous international lending and free trade. (For all practical purposes this principle would apply without qualification today to one nation only, namely, the United States, but it applies in some degree to other nations as well, including our own.) It means the encouragement of private international investment, both direct investment in branch plants and subsidiaries and portfolio investment in foreign securities. It means co-operation with the International Bank for Reconstruction and Development in its efforts through precept and example to encourage private capital to supplement and supplant governmental credit. It means a return to the risk-taking and enterprise required to develop rich but industrially backward areas. It means lower tariffs and the removal of other less obvious restrictions, such as customs formalities and red tape. It means, finally, freer travel with the progressive elimination of transit visas, currency restrictions, tedious border-crossing formalities, and other fetters on tourism that offset the speed of modern travel by air, train, steamship, or auto, and annoy and harass the traveller.

These five points we have outlined add up to two simple propositions: first, debtor countries must behave like responsible debtors and accept the discipline imposed by the competitive requirements of free international trade. Second, creditor countries must behave like good creditors and help make their debtors solvent and prosperous. One way is through the encouragement by creditor countries of international investment by their citizens, and they must also join with debtor countries in the removal of barriers to the movement of goods, services, and human beings across international frontiers.

THE CANADIAN ECONOMY TODAY

If all these suggestions for international policy were accepted and if they were all successful beyond belief, many economic problems would remain for Canada and other individual nations to solve. The unvarnished fact is that the big international problems are still with us; and Canada especially finds her domestic problems greatly complicated by her unique position in world economy. I shall consider Canada in 1949 under four main heads: (1) Canada's reputation, (2) Canada's record, (3) Canada's weakness, and (4) Canada's strength.

(1) **Canada's Reputation.** Canada's reputation is one of which Canadians can be proud. With the usual discount for politeness, one gathers from foreign visits and foreign visitors that Canada is at once a bulwark of free enterprise, and a model for wisdom in government regulations; the possessor of an admirable private banking system and of the best practice in efficient Central Bank control; the stronghold of a sound conservative tradition and the home of interesting experiments in political and economic order. These contrasts set out a picture, good in the eyes of the foreign beholder, but they are sometimes esteemed rather differently at close range by an ordinary Canadian. Foreign tributes to Canadian efficiency are encouraging in themselves whatever we at home may think of some of the ends to which that efficiency is directed. We don't have to be too modest, at least among ourselves, we can spare ourselves an inferiority complex and the abnormal national behaviour to which it may give rise. As a nation, we have accomplished much; not all of it is good, but the power for good is there; and in 1949 as in previous years, our good repute is, in large measure, supported by our record.

(2) **Canada's Record.** The year 1949 saw a further increase in Canada's industrial plant and equipment, the maintenance of the high levels of consumption attained in 1948, and the over-all expansion of the net and gross national product beyond the record levels of a year ago. Industrial production here, unlike industrial production in the United States, continued the long and gradual rise which has remained unbroken since the war. The postwar rise in the cost of living, after a false levelling off in March, continued to rise to a postwar peak in August. But it seems likely now that the index has really levelled out, and that a large part of the increase in national product during 1949 may be fairly ascribed to increased real production and not to increased prices. In other words, progress in 1949 has been attended with a high degree of stability. It is important to note that Canada is one of the few countries today that can still boast a substantial budget surplus. This not only contributes to stability, but it turns prosperity to good account by improving the credit of the government.

(3) **Canada's Weakness.** Against this favourable record for 1949 must be placed a few gloomy notations which, however, need not perturb us unduly if we handle ourselves properly. These concern most of all our export position.

As in previous years, the production of goods and services for export made up one-third of our net national product. Canada continued to run a deficit in trade with the United States and a surplus in her trade with countries overseas.

In 1948, Canada's $400 millions deficit in her Balance of Payments with the United States was more than made up by dollars earned in trade with European and other countries financed directly or indirectly by Marshall Plan aid. When our Balance with the United States is finally struck for 1949, we may find that our deficit has increased to approximately $600 millions. At the same time, if present trends continue, our receipts of dollars from Western Europe and the rest of the world will have decreased. We may expect a falling off in our dollar earnings from overseas trade to a figure somewhat below the $770 millions we got from this source in 1948, in spite of the maintenance throughout the year of our exports to the United Kingdom.

From this summary of our 1949 trade two main facts appear; first, our over-all surplus with the world is dwindling; and second, our direct earnings of dollars through exports to the United States is becoming relatively more important than our indirect earnings of dollars through trade with U. S.-financed Europe. The first, the decline in over-all surplus, is an ominous trend for a debtor nation, and can be explained in part by exchange restrictions overseas, in part by the fact that our imports from the United States are growing more rapidly than our exports to them. The second, our growing export trade with the United States, is favourable in itself in the short run so long as sterling and other European currencies are not freely convertible. But we must realize that it means a loss, at least temporarily, of established markets in Europe.

Nevertheless the continued failure of our overseas customers to earn sufficient dollars, through trade and investment rather than through gifts from the dollar area may force us to realign our trade. That is, we may have to contemplate the contraction of traditional markets in Europe offset to some degree by increased sales to the dollar area. The least transferable of our major exports overseas are wheat and wheat flour. The amount involved is about $300 millions per year to our biggest customer, the United Kingdom; and shifting is difficult owing to large exportable surpluses of these products within the United States. To finance wheat exports through new loans to the United Kingdom would mean a return to our lending policy of 1945-46 and a return to our dollar-short position of 1947. We therefore seem to be faced with a major shift in a basic industry that can be effected slowly at best.

SMALL SHIFT NEEDED

The most favourable development in our world trade would be an increase in our imports from Europe and especially from the United Kingdom, or increased dollar earnings by these countries in their trade with the United States. To wipe out our U. S. dollar deficit would involve a shift of a comparatively small percentage of our present imports from the United States to European sources of supply; and a shift of a similar portion of our export trade from overseas channels to United States markets. To attempt this shift through further curbs on imports from the United States would be a move backward to more rigid exchange controls with all the disadvantages of such a move for ourselves and for the world economy. Fortunately the recent devaluations have provided some incentive for precisely the shift we have in mind without an increase in controls. European exports to Canada and the United States have been made more profitable relative to exports to soft currency areas; and imports from the dollar area have become more expensive in terms of European currencies relative to imports from soft currency areas. But the end result will depend on the effectiveness of the devaluations over a period of time; and the truly multilateral solution without a retreat into controls must wait upon a general attack on currency problems such as that we outlined in the first part of this address.

We should not be either exalted or depressed by immediate conditions but we must realize that our national income has in the past followed the fortunes of our export trade with a lag of from three to six months. The plain truth is that Canada's domestic prosperity depends upon our handling of a complicated foreign-trade problem. And in the final analysis both our domestic prosperity and the future of world trade itself will depend upon a concerted international effort by all nations to return along the path we outlined earlier; that is, along the path to multilateral world trade unhampered by exchange restrictions, bilateral pacts, and all the paraphernalia of government control.

(4) **Canada's Strength.** It is refreshing to turn from Canada's difficulties in the next few months to her prospects over the next few years, or better still over the next decade and many more to come. We have the essential elements that need only a little time to bring about an enormous increase in our national wealth. These sources of economic strength are our natural resources and the temper of our people. Our natural resources already discovered are great indeed, and our available resources are being augmented almost daily by new discoveries such as the recent ones in oil, iron ore, titanium, and the mighty raw materials of atomic power. Our human resources, too, are extensible. I have already referred to the quality of our people, but we can improve on nature through training and experience, and more important still we can increase our human resources through an increase in the population itself. Canada's scarcest natural resource is her working population. Here, as with our forests, mines and oil fields, we must practice conservation through the wise and economical use of what we have. But to parallel our new discoveries and to ensure their full and efficient use we must embark on a bold policy of immigration. In this way we can increase the quantity of the one resource that is in short supply. In this way we can remove the one factor that sets a present limit to the growth of our national wealth. Against this prospect the few hundred millions of U. S. dollars that measure our present dollar difficulties pale to insignificance.

TAKING A LONG VIEW

This prospect of economic independence does not mean a reduction in trade. We do not have to turn our backs on the interdependence of nations that accompanies international commerce. Trade among independent, industrially developed countries is the most profitable trade of all. The world is gradually moving away from trade between industrialized countries and under-developed areas, away from trade that requires colonial dependence, to trade among industrial equals. And in this evolution of world economy, Canada is at present leading the way.

In the short run, as we have seen, Canada's international position makes her vulnerable to the present unbalance in the world economy. But, as she achieves economic independence through the development of her natural resources, the growth of her home market and the development of her industrial enterprise, her vulnerability will disappear.

The development of her natural resources by the capital and initiative and energy of her people; the use of these resources by an increasing domestic population, and the exchange of our increased industrial output with other countries in an expanding and enriched foreign trade: these will be an effective guarantee that Canada shall achieve an assured and pre-eminent place in the economy of nations, and that she will be a happy land in which to live.

BOARD OF DIRECTORS

The following were elected Directors for the ensuing year:—W. F. Angus, John Burns, M.B.E.; Harold Crabtree, C.B.E.; Arthur Cross, George A. Dobbie, Sydney G. Dobson, Raymond Dupuis, K.C.; A. E. Grauer; J. D. Johnson, Hon. Ray Lawson, O.B.E.; J. W. Grant MacEwan, W. H. Malkin, O.B.E.; E. C. McDonald, E. B. McInerney, H. R. Milner, K.C.; Burnham L. Mitchell, G. MacGregor Mitchell, G. H. Montgomery, K.C.; James Muir, W. E. Phillips, C.B.E., D.S.O., M.C.; Conrad S. Riley, Howard P. Robinson, John T. Ross, Paul F. Sise, Cyril W. Stairs, O.B.E., George L. Stewart, J. McG. Stewart, C.B.E., K.C.; E. P. Taylor, C.M.G.; W. Taylor-Bailey, Norman C. Urquhart, C.B.E.; Colin W. Webster, Arthur B. Wood, Hon. W. C. Woodward.

At a subsequent meeting of the Board of Directors, Sydney G. Dobson was re-elected Chairman of the Board; James Muir, President; and W. F. Angus and Burnham L. Mitchell, Vice-Presidents for the ensuing year.

Five Steps Toward World Trade Revival

Royal Bank President advocates five-point programme

Devaluation has at least broken the log jam; but we must take immediate advantage of this initial break in the barriers to trade which have been thrown up by overvalued exchange rates and rigidly held in place by government controls.

The steps, in my opinion, are as follows:

First, nations of the world should re-learn a basic lesson of the first world war, and settle their war debts . . . .

Second, for a certain fixed period, we should let the market determine rates of exchange, as it did immediately after the first world war . . .

Third, at the end of this period of free-market valuation, we should stabilize currencies by reference to the rates which the free-market has determined . . .

Fourth, having stabilized exchange rates at the level decreed by the free market, the world must adopt some device to keep them that way . . . The gold standard kept nations within their means before the days of the great illusion that international equilibrium can only be achieved by clamping the fetters of exchange control upon free international trade . . .

Fifth, the gold standard (or its equivalent) must be made to work by the proper discipline not only of debtor but of creditor nations as well. This means a return to the two basic requirements of responsible creditor nations: vigorous international lending and free trade.

COMPANY REPORTS

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

CANADA VINEGARS LTD. net profit of $100,829 for the year ending Nov. 30, 1949 was up 8.2% from the previous year's net of $93,152.

Expansion of the apple product program has led to a considerable increase in inventory. As of Nov. 30, 1949, it was up $122,899 in the year to $670,376. This, together with a net increase of $24,438 in fixed assets, was provided by reduction in accounts receivable and cash, together with a bank loan which stands at $70,000, Chairman A. L. Spalding states.

Consideration is being given to the desirability of changing the fiscal year end from Nov. 30 to Sept. 30. Annual meeting will be held Jan. 24.

CONS. INCOME ACCOUNT

Years Ended Nov. 30:	1949	1948
Net earnings	$261,282	$246,894
Less: Deprec.	98,783	97,258
Income taxes	61,670	56,484
Net profit	100,829	93,152
Less: Dividends	87,400	73,600
Surplus for year	13,429	19,552
Earnings per Share and Dividend Record:		
Common: Earned	$1.10	$1.01
Paid	0.80+0.15	0.65+0.15

CONDENSED CONS. BALANCE SHEET

As at Nov. 30:	1949	1948
Cash	$13,318	$51,838
Accts. rec.	111,474	146,504
Inventories	670,376	547,486
Total curr. assets	795,368	745,828
Fixed assets*	1,237,651	1,212,213
Goodwill	24,001	24,001
Total assets	2,057,020	1,982,042
Bank loan	70,000	......
Accts., tax., pay.	393,522	435,515
Divd. pay.	32,200	......
Total curr. liab.	495,722	435,515
Capital stock	1,322,503	1,322,503
Surplus	238,795	224,024
*After depr. of	1,195,265	1,121,363
Working capital	299,646	310,313

BILTMORE HATS LTD., Guelph, Ont., net profit of $89,572 for the year ended Nov. 30, 1949, was up 2.3% from the previous year's net of $87,542. The increase in costs of manufacture and distribution continued into 1949 but at a lower rate of increase than in 1948, President John A. Fraser states.

In 1949 export sales were materially retarded by the prevailing foreign exchange problems. Increases in domestic sales permitted the maintenance of total sales volume at about the 1948 level, Mr. Fraser states. The domestic situation in sales has been accomplished by reason of the high quality and diversified range of products and the policy of extensive national advertising.

Annual meeting will be Jan. 28.

INCOME ACCOUNT

Years Ended Nov. 30:	1949	1948
Net earnings	$176,898	$168,566
Less: Depreciation	27,726	27,724
Debenture int.	2,600	2,600
Income tax res.	57,000	50,700
Net profit	89,572	87,542
Less: Cl. A divds.	40,000	40,000
Com divds.	20,000	24,000
Surplus for year	29,572	23,542
Earnings per Share and Dividend Record:		
Class A†	$2.24	$2.19
Paid	1.00	1.00
Common†	1.24	1.19
Paid	0.40+0.10	0.40+0.20
Cl. A & com.‡	1.12	1.09

†Before (‡after) participation.

CONDENSED BALANCE SHEET

As at Nov. 30:	1949	1948
Cash	$59,076	$41,875
Accts. rec.	264,335	345,887
Inventories	542,916	484,736
Total curr. assets	866,327	872,498
Ref. EPT	19,602	32,861
Def. charges	5,512	7,932
Fixed assets*	193,092	183,783
Total assets	1,084,533	1,097,074
Accts. pay.	122,305	175,928
Taxes pay.	32,301	20,791
Total curr. liab.	154,606	196,719
Conting. res	50,000	50,000
Debentures	100,000	100,000
Capital stock	85,475	85,475
Surplus	694,452	664,880
*After depr. of	380,000	352,274
Working capital	711,721	675,779

Higher Rates May Be Sought By S. Canada

MONTREAL (Staff)—Southern Canada Power Co. indicated in a letter to shareholders this week that the company may soon be seeking an increase in electricity rates in its territories.

The letter, which was mailed along with quarterly dividend cheques, pointed out that costs had increased enormously in recent years, and that good electric service is possible only if the company is able to follow modern trends. To keep up with the rapid technological developments, company must have sufficient earnings; otherwise service will be impaired and progress retarded.

That others in the Quebec power industry are thinking along the same lines is shown in a recent statement by James Wilson, president of the Shawinigan Water & Power Co. Said Mr. Wilson:

"Unless substantial upward adjustments of the sale price of electricity are effected — and promptly — it will be impossible for power systems, whether owned by the investing public or the state, to operate on a sound financial basis if they are to maintain their customary record of service and efficiency."

Rapidly rising costs of labor, materials and equipment have caused the financing problems, he said. If things aren't remedied soon, many expansion programs involving greater generating capacity, distribution facilities and improved service would be postponed, and the whole economy would suffer. Average revenue per kilowatt hour of the Quebec power companies is the lowest on the continent, yet nowhere else are electrical services more generally available or more efficient or dependable, he held.

With regard to Southern Canada's operations, the company reports that the new power line connecting its system with Beauharnois, built by Shawinigan and Hydro Quebec, has been brought into service at St. Cesaire. In addition, good progress has been made on construction of a 110,000-volt line which will carry power from St. Cesaire to a new substation which is already in operation at Magog. At the Magog substation, a control house has been completed and concrete foundations for equipment are being built. Thirty miles of rural lines have been added.

Maintenance work has included overhaul of the two sluice gates at Hemmings Falls; increase in capacity and straightening of the line route of the Acton Vale-Granby transmission line. New 17,500 kva transformer was put in service at St. Cesaire, and four 5,800 kva watercooled transformers have been shifted from St. Cesaire to Hemmings Falls.

Stream flow was improved by fall rains, although water in storage is somewhat below average. Record peak load of 86,400 kw reached in December, and there have been no difficulties in meeting power demands, company states. Merchandise sales for the three months ended Nov. 30 totaled $216,781.

Montreal Short Position Higher

MONTREAL (Staff) — Montreal Stock Exchange report shows short position of 19,165 shares of 38 issues at Dec. 31, 1949, compared with 16,405 shares of 38 issues on Dec. 15. Chief changes included:

Stock	Shares	Stock	Shares
C. Cement	+1,400	Dist.-Seag.	+1,100
Can. S. S.	—225	Hudson Bay	—250
Can. Car	—1,300	Inter. Paper	+1,670

Short position on the Montreal Curb Market on Dec. 31 totaled 233,007 shares of 37 issues against 226,590 shares, 33 issues, Dec. 15. Chief changes were:

Stock	Shares	Stock	Shares
Bouzan	+10,000	Jaculet	—7,500
Brown Co.	+300	Sherritt G.	+3,500
Cons. Paper	+225	Un. Asbes.	—3,000
Cons. Textile	+500		

Actual short positions on the two exchanges were:

MONTREAL STOCK EXCHANGE

Stock	Shares	Stock	Shares
Abitibi	500	Hudson Bay	150
Algoma	1,065	Imperial Oil	225
Aluminium	130	Inter. Nickel	150
Bathurst A	50	Inter. Paper	4,665
Bell Tele.	75	Massey-Harris	50
Bldg. Products	25	McColl	625
Can. Cement	2,275	Molson's	200
Can. S. S.	975	Mont. Loco.	50
Cndn. Brew.	375	Nat. Brew.	400
C.P.R.	525	Noranda	100
Cons. Smelt.	1,210	Page-Hersey	25
Dist.-Seag.	1,150	Power Corp.	25
Dom. Coal B	800	Price Bros.	75
Dom. Stores	50	Royalite	900
Dom. Tar	25	St. Law. Corp.	550
Dom. Textile	100	Stand. Chem.	450
Fraser	330	Steel of Can.	25
Ham. Bridge	25	Wpg. Electric	890
Hiram Walker	450		
How. Simth	175	38 Issues	19,165

MONTREAL CURB MARKET

Stock	Shares	Stock	Shares
Anacon	1,300	Hotel LaSalle	100
Anglo-Can.	1,300	Jaculet	2,500
Ascot	3,000	Joliet-Que.	500
Atlas Steel	100	Labrador	2,100
Bouzan	41,000	MacLeod-Cock.	500
Brown Co.	1,225	Normetal	700
Cal. & Ed.	100	Osisko	700
Cndn. Vickers	100	Pacific Pete.	400
Candego	2,000	Silver Miller	1,000
Comm. Alco.	2,000	Sherritt G.	34,300
Cons. Paper	725	Sladen	1,000
Cons. Textile	600	Stadacona	1,000
Duvay	36,000	Steep Rock	100
East Sullivan	9,800	Sullivan	700
Eldona	1,000	Torbrit	4,500
Fed. Grain	50	Un. Asbestos	83,500
Fed. Pete.	1,100	Upper Canada	3,200
Fleet	1,300		
Gaspe Oil	1,100	37 Issues ...	233,007
Home Oil	147		

CRAIG BIT CO. net profit for the period Sept. 25, 1949 to Dec. 17, 1949 amounted to $43,742. Earnings for first half of fiscal year are $30,000 over same period last year. On Oct. 22 the plant suffered a small fire which while fully covered by insurance, seriously delayed plant changes then in progress. These difficulties have now been overcome.

Provincial Roundup

Significant events in public affairs and business in the Canadian provinces

British Columbia

Deliver Laundry By Plane: Vancouver firm, Spotless Stores, with laundry and dry cleaning organization spread over B. C., Alaska and Yukon, started in a small way in 1936. Now operates 20 stores on the lower mainland, augmented by agents throughout the province utilizing a mail order service. In Nome, Fairbanks, Whitehorse and Dawson, agents cater to customers on a regular basis. Clothing to be washed or dry cleaned is picked up and delivered by plane or dropped in out of the way places where dog teams deliver it.

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Alberta

New Home Of Goldeyes: Winnipeggers blush to admit it but famed fish, Winnipeg Goldeye, now comes mainly from a little known Lake Claire in northern Alberta. In 1949, 120,000 lbs. of goldeyes were shipped to Winnipeg, smoked, flavored and given complete name. For years, supply came from Lake Winnipeg but for some unfathomed reason fish there appear to be dying out. Name will remain as is, due to the wide popularity it enjoys and because techniques used in processing is a Winnipeg secret. Maximum Alberta catch has been set at 250,000 lbs., with Indians doing most of the catching.

Contracts For Mounties: Alberta Government has signed a new 6-year contract with the Federal Government for policing of the province by the R.C.M.P. Contract calls for a force of 255 men operating from 93 detachments at a total cost of $357,000 per year, or $1,400 per man. New clause in contract now in effect calls for Alberta to pay the Federal Government an additional $1,700 each year in event of more detachments being established. At present some 400 Mounties are stationed in Alberta with some 146 of these handling federal business and being paid by Ottawa.

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Saskatchewan

Cold Weather Test: In Saskatoon, an area where cold weather is the enemy of comfort five months a year, National Research Council's division of building research is testing materials which may mean cheaper and warmer houses for prairie dwellers. Tiny model buildings have been set up on concrete blocks and instruments will register effect of outdoor conditions on their materials. Project will give special attention to fill-insulation materials to determine effects of water, vibration and settling on winterized walls. The use of building papers, "a neglected field to which the public is just beginning to attach a portion of the proper importance," is also being studied.

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Manitoba

$1 Millions For Power Plant: In an effort to forestall possible serious power shortages in Winnipeg, public utilities committee has ratified city hydro power plant extensions costing $1 million. Approved was purchase of a steam generating unit for a 15,000 kilowatt turbo-alternator for the Amy St. Steam plant at a cost of $458,461. With installation, expected by end of 1951, power production potential would be boosted 150% from 10,000 kilowatts to 25,000. New unit will be adaptable for use of natural gas or fuel oil, if necessary.

Watermain Problem: Old age has caught up with Winnipeg's watermains, many of which are 50 years old. Yearly breaks have jumped from 50% in 1930's to 210% today. Costs of repairs soar each year — 14.7% higher in 1949 than in 1948. This is attributed to immensity of repairs in some cases, as much as 25 feet of pipe being replaced at one time and with breaks costing as high as $1,000 each. To ensure minimum maintenance costs by replacing mains after a 50-year life, it is necessary to renew seven miles of mains a year. This policy was followed before the war at an annual cost of $100,000. Today it would be $400,000. Budget meeting in February is expected to decide replacement program.

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Ontario

Start Flood Control Project: Award of a $90,000 subcontract for excavation of a cut 100 feet wide, 8,600 feet long at the mouth of the Aux Sable River has signalled start of a $2 millions flood control and conservation project designed to provide quick drainage for the rich celery beds of the Thedford, Ont. area. Cut will be dug through 100-ft. sand banks and will eliminate three loops of present river channel. When completed, project may alter the face of the river watershed affecting some 665 square miles in four counties and in addition aid development of over 9,000 acres of agricultural land as recreational areas. Series of dams and reservoirs will also be constructed.

Projects To Take Up Job Slack: In near future Toronto's Board of Control must pick out priority projects under the city's $179 millions master plan. By building up to $8 millions worth a year which the plan recommends, some thousands of jobs could be provided to relieve Toronto's growing unemployment, according to Mayor McCallum. In addition $25 millions in city projects could be made available providing Federal Government gives financial assistance under its timed public works program. This would enable T.T.C. to step up its development work, hire more men. Other projects would be a new city hall or court house on which work could be started this summer; community recreation centres, road extensions and new subway projects. Among semi-private jobs is enlargement of Varsity Stadium to cost some $600,000, with work starting next month.

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Quebec

Printing Bureau Makes Progress: Builders of Hull's "Grand Canyon," 20 feet deep, 13 acres in extent, site of the new government printing bureau are speeding preparations for the pouring of cement. Huge boiler in the centre of the excavation supplies steam to heat the cement mix and prevent it from freezing during the next two months. Expected to cost some $7 millions before machines get into operation, new plant will provide permanent work for some 1,500-2,000 men and women.

Ship Repairs Keep Tradesmen Busy: Three Montreal repair plants, Canadian Vickers, Montreal Drydock and St. Lawrence Drydock are humming these days with some $500,000 repair jobs keeping hundreds of men representing almost every trade reasonably busy. Biggest job of all, under way at Vickers is reconversion of coastal freighter North Pioneer which is having its passenger capacity raised from 12 to 75. Ship will ply to all villages along Newfoundland coast, winter and summer. Four freighters, Soreldoc, Southcliffe Hall, Northcliffe Hall and Sterncliffe Hall are also in for winter overhaul. Oil tanker, Imperial Ottawa, is in for hull repairs.

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New Brunswick

Tender Wins Bridge Job: Toronto firm, R. A. Blyth Co., was successful bidder for contract to build substructure and approaches of the 11-span Northwest Miramichi bridge. Approximate contract price was $400,000. New highway bridge, to be some 5,682 feet long, including approaches, will replace railway span destroyed by fire two years ago. Main section of the bridge will consist of four steel spans each 282 feet in the clear; one span 194 feet in the clear and two girder spans each 80 feet in length, all calling for over a quarter mile of steel superstructure. Roadway will be 24 feet wide with a five-foot sidewalk.

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Prince Edward Is.

Enthusiasm Lacking: Proposal to build a new $1 million car ferry to run between Prince Edward Island and Nova Scotia is not meeting the enthusiastic response of Islanders. Main reason is that the CNR would operate it, replacing the privately owned Northumberland Ferries Ltd. In spite of getting a better boat, the claim is that the CNR has not provided economical and efficient transportation, as guaranteed under the terms in which the Island entered Confederation.

Who Profits In Price Spread?: Controversy over who gets the spread on egg prices has developed in the U. S. press and radio. There is at least 16 cents difference between what the farmer gets and what the consumer pays, which has been blamed on retailers. Not so, say the latter, they get 3c profit, 3c goes for the container, and the other 10c goes to the egg grading station, although they claim that it only costs 4c to 5c to grade a dozen eggs.

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Nova Scotia

Plan To Increase Ferry Service: Plans are under discussion at Ottawa for construction of a new $1 million ship to augment ferry service between Prince Edward Island and Nova Scotia. Under plan the ferry service might be taken over by federal government which is now run by a private concern, Northumberland Ferries Ltd. Proposed new vessel would carry some 50 vehicles and would be used in conjunction with SS Charles A. Downing which the federal government may purchase.

• • •

Newfoundland

Agreeable Agreement: Following line taken in the other provinces, Newfoundland and Federal Government are to enter an agreement providing for joint expenditures on vocational training. Announced by Labor Minister Mitchell, agreement will provide a capital outlay of $293,250 in federal funds to be matched by the island province; another $55,800 a year up to March 31, 1955, also to be matched by Newfoundland and an additional $10,000 a year for the same period which does not have to be matched. Assistance will cover vocational training in secondary schools to prepare students for jobs.

JAMAICA PUBLIC SERVICE LTD. showed surplus of $197,700 available for payment of common dividends, equal to $1.46 per share, in the 12 months ended Oct. 31, 1949. Earnings of the subsidiary, Jamaica Public Service Co., were lower in October at £6,985 (£8,071 previous October), but were higher for the 12-month period at £104,106 (£67,532). Sterling is converted at $3.09.

CANADIAN OIL COMPANIES: Directors have declared a dividend of 25c a share on the common stock payable Feb. 15 to shareholders of record Jan. 20. In 1949 the company paid common share dividends of 80c a share consisting of four 20c payments, which amount had been distributed since February, 1947, when rate was raised from 60c. Should present rate be maintained, it would place the shares on a $1 per annum basis.

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Admitted Assets ..	$9,273,712.41
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NOTICE is hereby given that the Insurance Company of North America has received Certificate of Registry No. C1202 authorizing it to transact in Canada business of Live Stock Insurance, in addition to the classes for which it is already registered.

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Chief Agent for Canada.

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Notice is hereby given that Certificate of Registry No. C 1196 has been issued to THE ORION INSURANCE COMPANY, LIMITED (London, England), authorizing it to transact in Canada the business of Fire Insurance, Accident Insurance, Automobile Insurance, Inland Transportation Insurance, Personal Property Insurance, Plate Glass Insurance, Theft Insurance and, in addition thereto, Civil Commotion Insurance, Earthquake Insurance, Falling Aircraft Insurance, Impact by Vehicles Insurance, Limited Hail Insurance, Limited or Inherent Explosion Insurance, Sprinkler Leakage Insurance, Water Damage Insurance and Windstorm Insurance, Limited to the insurance of the same property as is insured under a policy of fire insurance of the company.

W. Boaden Burns, chief agent in Canada. Toronto, Ontario, December 29, 1949.

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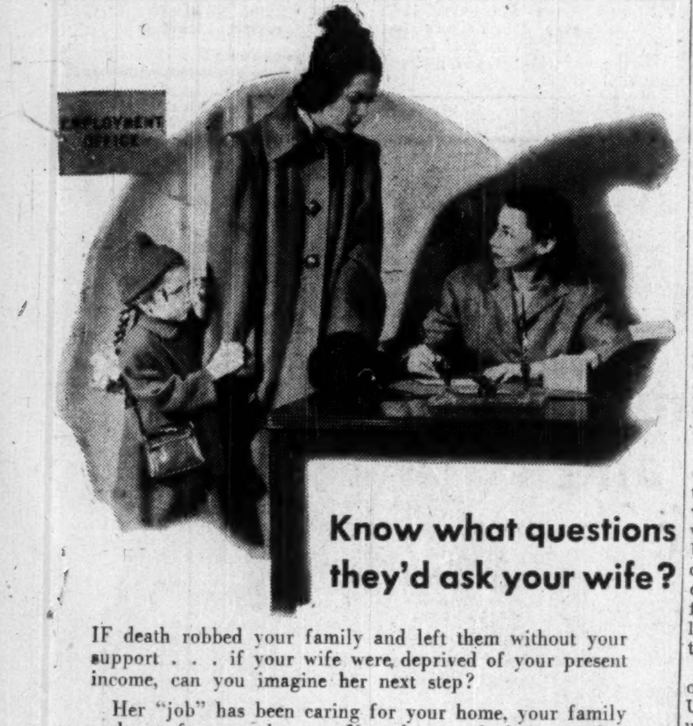

Know what questions they'd ask your wife?

IF death robbed your family and left them without your support . . . if your wife were deprived of your present income, can you imagine her next step?

Her "job" has been caring for your home, your family and you, for several years. Now she must look for another kind of job. Her first interview might be like this:

"*What are you trained to do?*"
"*How long is it since you held a job?*"
"*When your children are sick, have you someone in charge to look after them? Would you have to be absent on their account?*"

Could your wife give satisfactory answers? Perhaps she would be told: "We're sorry for you—but after all, we *can* get single girls who can stay on the job . . ."

But you can spare your family this needless shadow on their lives—NOW! Your Norwich Union representative is personally interested in your family's welfare. Let him work out a low-cost program of *adequate insurance* for you.

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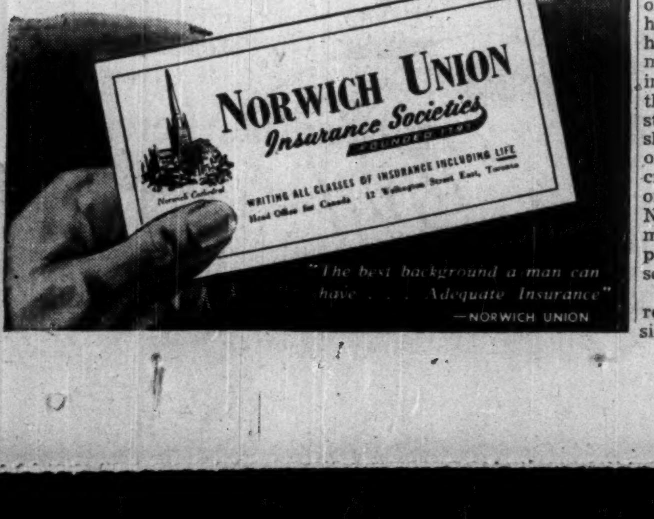
95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Performance of Canadian Business Hopeful Omen For Future, Says Towers

A plea for support of the Dollar-Sterling Trade Board by Canadians interested in overseas export trade was made by Graham F. Towers, governor of the Bank of Canada, to the Canadian Exporters Association at Toronto last week. While refraining from making any predictions, Mr. Towers spoke hopefully of the future. Here is a digest of his address:

By GRAHAM F. TOWERS

If in 1944 or thereabouts there had been full realization of the scope and depth of postwar problems; if it had been assumed that the world was to be divided into two cold warring camps, and that we faced not simply reconstruction but a remaking of important trading areas of the globe, then I believe that people appraising Canada's prospects in the postwar period might well have taken a most apprehensive attitude in view of our great dependence on international trade. In the event, our affairs have gone quite well. We have shown a surprising resilience and adaptability—surprising to other countries at least, if not to ourselves. We have been, and must continue to be, affected by developments elsewhere, but the performance of Canadian business to date is a hopeful omen for the future.

No review of the highlights of 1949 would be complete without reference to the almost worldwide devaluation of currencies in September.

You will recall that when sterling and many other currencies were devalued in 1931, dollar prices were still falling disastrously. In consequence, devaluation did not put sterling prices up. Indeed the U. K. cost of living index declined soon after September, 1931, and remained below the level of that month for about four years.

At the same time the United Kingdom's terms of trade, that is, the prices she got for her exports, compared with the prices paid for imports, were moving greatly in the United Kingdom's favor. So far there is no indication of a similar development on this occasion.

Importance of U. K. Trade

The position and prospects of the United Kingdom are important from the Canadian point of view—indeed from the point of view of the whole world.

The present position cannot be understood without reference to the contribution made by the United Kingdom to a number of other countries since the end of the war. Outright gifts, including contributions to UNRRA and other relief organizations, and supplies made available in occupied areas, have amounted to $1.6 billion. Loans and other recoverable aid, including net loans to other ERP countries under the Intra-European Payments Agreement, have totaled nearly $2.2 billions. Liabilities incurred during the war in the form of sterling balances were added to substantially in the early postwar period, but since the end of 1945 have been repaid to the extent of about $1.8 billion. There has also been a substantial export of capital in other forms, mainly to sterling area countries.

All of these transactions involved directly or indirectly the provision of goods and services or dollars to other countries by the people of the United Kingdom. Of course these contributions to others would not have been possible if the United Kingdom had not itself been receiving very substantial assistance, mainly from the United States and Canada.

The assistance so far given by the United Kingdom to others has, in the main, represented a contribution to world recovery and political stability. Nevertheless, provision of this aid has overstrained the United Kingdom's productive resources, heavily burdened as they already were with commitments involved in the cold war. Moreover the provision of aid on this scale has had unfortunate effects on sterling area price levels. Countries which possessed, or which have been provided with, ample supplies of sterling have in the main been expected to spend that money in the sterling area and to restrict dollar purchases as much as possible. One result has been—and here I quote from the Foreign Exchange Control Board's Report to the Minister of Finance, dated March 1, 1949:

"Trade with the group of countries concerned does not move entirely on the basis of competitive price and quality. The tendency for trade within the protected area to take place at a higher level of prices than that prevailing for similar commodities in outside countries cannot fail . . . to make it more profitable for the individual producer in the countries concerned to sell within the area than in dollar countries. And a general consequence of the developments outlined is to raise the price and cost structure of the countries inside the area and so reduce their capacity to export to dollar markets."

This was one of the factors which produced devaluation. It is now the task of the United Kingdom to prevent the process repeating itself, a task which the United Kingdom can hardly accomplish without co-operation from this side of the Atlantic.

Dollar-Sterling Trade Board

Our best form of co-operation, from every point of view, is for Canadians to buy more goods from the United Kingdom, and from overseas countries generally, which are having difficulty in financing their purchases from us.

Canadian imports from the rest of the world outside the Western Hemisphere rose from $440 millions in 1947 to $610 millions in 1948. Partly because of the situation which preceded the September devaluations, progress was less marked in 1949, but there is now a fresh opportunity to see what can be accomplished in this field. Certainly those of us who are interested in overseas export trade should support efforts such as those of the Dollar-Sterling Trade Board, to help overseas producers break into the Canadian market or expand their existing business in Canada.

Everyone will remember that early in 1949 there was some fear that the pace attained in 1948 would not continue. These fears were particularly strong in the United States, and in fact in that country there was a noticeable decline in activity during the first seven months of 1949, mainly associated with a sharp contraction of buying for inventory.

Recovery set in after July, but on the average most indicators of United States economic activity will have been lower for 1949 than for 1948. In Canada, on the other hand, almost all indices of production and sales compared favorably in dollar totals and in terms of physical volume with the figures of the year before. It is probable that for 1949 as a whole the volume of Canadian production will show a slight but worthwhile increase—dollar totals will, of course, be up somewhat more because our average price level was higher than in 1948.

Inflationary Forces Weaken

Inflationary pressures ceased their upward thrust last year. The index of wholesale prices at the year-end is likely to be slightly lower than in December, 1948, although the decline in Canada has been noticeably less than in the United States. The cost of living index will probably show no marked change.

The over-all picture then is one of a country which enjoyed the highest level of output in our history—with resources of men, materials and machinery about in balance with requirements so that we had a comparatively stable price level. With acute shortages of labor pretty well overcome, unemployment increased somewhat from the extraordinarily low level of 1948. Nevertheless, the general employment situation was good by any peacetime standards of comparison.

It is not easy to assign specific reasons for the continued expansion of most lines of Canadian business in the face of the decline—relatively moderate though it may have been—in the United States.

As an illustration of the contrast, I may refer to retail sales in Canada, which showed a year-to-year increase in dollar value of more than 6% during the first ten months of 1949, whereas comparable figures in the United States reveal a decrease of 1%.

Another striking difference has been in the field of bank loans, where the effect of changes in the rate of inventory accumulation is particularly apparent. In the United States the total loans of commercial banks declined by 1% during the first ten months of 1949, while the total Canadian loans of our chartered banks increased by 10% during the same period.

The contrast in experience during 1949 can be attributed partly to the longer continuance in Canada of backlogs of demand accumulated during wartime. One factor which delayed the working off of these backlogs in Canada was the extent of our assistance to overseas countries, particularly in 1946 and 1947, and subsequent limitations on imports involved. Moreover, the whole process of postwar decontrol was more gradual in Canada than in the United States, and this had the effect of spreading the resultant upward pressure on prices more evenly over the three years 1946 to 1948. In the United States the effect of the release of these forces was felt mainly in 1946 and 1947.

Important factors contributing to the 1949 contrast may have been the reduction in income taxes in Canada in 1949, as well as repayment of a substantial amount of refundable taxes, and large payments to wheat farmers from proceeds of sales in earlier years.

The factors mentioned in accounting for the difference in business experience between Canada and the U. S. in 1949 are largely of a temporary character. However there have been other longer-run influences at work as well, for example the resource discoveries of the past few years in various parts of Canada. The resource developments now in sight seem sufficient to place Canada in a favored position relative to other countries for some years ahead.

Capital Investment

In the purely Canadian scene, the continuance of new capital investment on a very high scale contributed greatly to the generally successful results of the year. Increased investment in residential housing, major public utility programs and in various forms of capital expenditure by governments as well as oil and other resource development more than offset a net decline in investment in plant and machinery by manufacturing and other business concerns.

Indication of the activity in the capital development field is found in new financing undertaken by provinces, municipalities and business enterprises. Net new issues of bonds and stocks by borrowers in the categories just referred to were approximately $650 millions in 1949 compared with $510 millions in 1948. The bond market was most receptive to new issues throughout the year, and I believe there was no undue dependence on institutional buyers.

Another major factor in Canadian business activity is our export trade. Here the actual dollar total of shipments in 1949 will probably be within 2% of the record level of 1948. However, the fact that our export prices averaged several per cent higher than in 1948 means there was a somewhat greater decline in physical volume of export shipments than the dollar figures would indicate. Moreover, the totals conceal important changes in particular categories of exports. The members of your Association are well aware that in a wide range of manufactured goods sales are no longer possible to many countries because of increasingly severe import restrictions.

I wish I could say something optimistic in regard to the recovery of these markets in the near future, but it is quite impossible for me to speak in that sense. So long as these customers have difficulty in securing enough dollars to pay for their requirements of essential food stuffs and raw materials, they are certain to give low priority to most manufactured goods. I do not wish it to be thought that I am taking a defeatist attitude. The struggle to bring the world back to a more even keel and to reach the goal of freely functioning multilateral trade, minus the cramping restrictions of the postwar period will continue for a long time to come.

Exports to U. S.

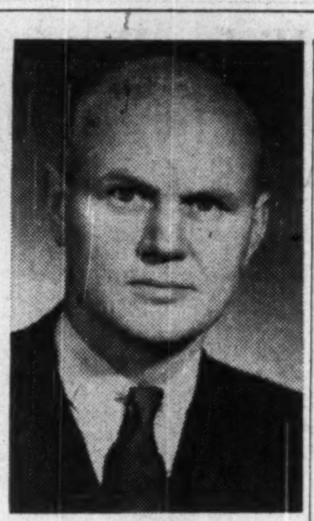
Meanwhile we can take some encouragement from the record of our exports to the United States. The total dollar value of shipments to that market in 1949 may well have exceeded the extraordinarily high level of 1948, in spite of the fact that United States business activity declined somewhat in the early part of the year. During 1949, and particularly since the devaluations of last September, there have been some interesting cases of Canadian firms developing new lines or considerably expanding old lines, of exports of manufactured goods to the American market. Whether this will develop into a general movement on an important scale only time will tell, but even a minute share of the American market could make a big contribution to the prosperity of individual firms, and to Canada's balance of payments position.

Much will depend on the adaptability and the initiative of Canadian businessmen. When they have investigated the United States market on the spot for themselves, and have made aggressive efforts to sell, extremely good results have often followed.

Much will also depend on the maintenance of high levels of activity in the United States, and willingness in that country to remove obstacles to the entry of foreign goods. On both these points, events of 1949 give cause for encouragement.

The mildness and brevity of the recession in the United States was, I believe, one of the most welcome features of 1949 for the rest of the world as well as for Americans. This result suggests that the forces tending to check recession in the United States may be somewhat stronger than had previously been thought. I refer principally to the attitudes of consumers and businessmen in face of economic adjustments, although the effect of actual and potential governmental measures may also have been a factor. In any case, whatever the immediate or underlying causes, the performance of the United States economy in 1949 must be considered relatively encouraging.

Another major development of 1949, in my opinion, has been the indications of growing concern on the part of the American administration and public about the effects of the United States tariff and its customs administration. It is easy for Canadians to see that the so-called dollar problem, and all the international political problems which are bound up with it, cannot be solved—at any rate in a way that will be satisfactory to the United States as well as to the rest of the world—unless foreign producers get a more even break in the American market. We must realize, however, that American acceptance of this proposition, and action upon it, require a high degree of political maturity and courage. Therefore it is encouraging to learn that helpful changes are gradually becoming apparent in the case of customs administration. I am told that a perceptible shift in administrative attitudes and practices is taking place.



COLIN W. WEBSTER

has been appointed a director of the Royal Bank of Canada. He is president, Canadian Import Co.

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CANADIAN BREWERIES LIMITED

AND SUBSIDIARY COMPANIES

REPORT OF THE BOARD OF DIRECTORS

Toronto, Canada, January 11, 1950

To the Shareholders:

Your Company was organized in March, 1930, to acquire ownership of, and to direct the affairs of old established brewing companies. Your Directors take particular pleasure in presenting this the Twentieth Annual Report because the years which have intervened since 1930 have seen the Company develop to a point where it enjoys by far the largest individual volume of sales in the Canadian brewing industry, has first class physical facilities for the production of its products, and a strong and sound financial position.

Sales and profits from Canadian operations both showed increases in the year under review. Sales in Canada amounted to $83,071,871 in comparison with $75,456,792 in the previous year, and Net Profits after all charges from Canadian operations, amounted to $7,927,745 in comparison with $7,266,745 in the previous year.

The operations of your wholly owned subsidiary Victory Mills Limited, the sales of which are included in the Canadian sales referred to above, continued at a satisfactory level of output and profit during the year.

The operations of Brewing Corporation of America, in which your Company holds a majority interest, were again unsatisfactory. Your Company's share of the loss from operation in the United States amounted to $1,238,910. Your Management is definitely of the opinion that the solution of this subsidiary's problem lies in persistent adherence to the course of building up national distribution of quality products at reasonable prices to the extent necessary to absorb the large productive capacity. During the past year there has been built a sales organization adequate to develop and maintain national distribution under highly competitive conditions, and a substantial and well-balanced advertising campaign has been undertaken designed to stimulate consumer demand. The costs of such sales and advertising efforts, which were out of all proportion to existing sales volume, were fully charged off to operations.

Notwithstanding the conditions above referred to the overall consolidated Net Profits of your Company and its subsidiaries amounted to $6,688,835 in comparison with $6,849,535 in the previous year. Provision for depreciation was made in the amount of $3,676,079, an increase of $552,431 from the previous year.

The Consolidated Balance Sheet was improved to the extent that net working capital increased during the year by $1,653,726 to $11,597,559. Funded Debt was reduced and Distributable Surplus substantially increased.

Your Directors take pleasure in recording with gratitude the loyalty and enthusiasm of the 3,385 employees of your Company and its subsidiaries. The number of shareholders increased from 15,012 to 16,164 during the year.

Subject to the general volume of business activity in North America remaining at a high level, your Directors anticipate that the new fiscal year will produce satisfactory results, although exceedingly heavy expenditures to expand the business of your United States subsidiary will continue and this will have the effect of somewhat reducing consolidated profits in the first half of the new year. Your Directors and Management believe that the policies which are being followed will eliminate losses in the United States in the not too distant future.

Submitted on behalf of the Board of Directors

E. P. TAYLOR, *Chairman.*

CONSOLIDATED BALANCE SHEET AS AT THE 31st OCTOBER, 1949
(STATED IN CANADIAN FUNDS)

ASSETS

		31st October 1949	*31st October 1948*
Current Assets			
Cash on Hand and in Banks	$ 3,704,238		
Investments in Marketable Securities at cost (Quoted Market Value $302,883)	282,652		
Accounts Receivable less Allowance of $50,786 for doubtful accounts	2,155,767		
Income and Excess Profits Taxes refundable	1,451,070		
Inventories as certified by responsible officials	12,507,046		
Prepaid Expenses	543,597		
Total Current Assets		$20,644,370	*$18,114,827*
Refundable Portion of Excess Profits Tax due after 1950		665,000	*1,133,212*
Investments in Allied Companies at cost			
Listed Shares (Quoted Market Value $945,126)	1,229,994		
Subsidiary not consolidated Dominion Malting Company Limited	2,087,310		
Other shares and advances	2,485,672		
		5,802,976	*4,844,610*
Fixed Assets			
Land	1,955,681		
Buildings	19,811,048		
Plant and Equipment	24,054,860		
	43,865,908		
Less: Provision for depreciation	12,962,352		
	30,[illegible]56		
Returnable Containers of United States subsidiaries on hand or in hands of customers, at cost, less provision for depreciation of $644,462	646,756		
		33,505,993	*34,415,383*
Sundry Properties and Investments at cost, less reserves of $175,720		1,090,283	*1,025,111*
Deferred Charges			
Debenture Discount and Expenses, less Amortization	346,495		
Sundry	123,383		
		469,878	*95,613*
Premium Paid upon acquisition of brewing subsidiaries since the 31st October 1943, less amortization and credit		3,349,194	*3,634,084*
		$65,527,694	*$63,262,840*

LIABILITIES AND CAPITAL

		31st October 1949	*31st October 1948*
Current Liabilities			
Accounts payable and Accrued Charges	$ 6,198,158		
Provision for Income Taxes less Payments thereon	2,848,653		
Total Current Liabilities		$ 9,046,811	*$ 8,170,994*
Debentures and Notes Payable			
3¼% Serial notes	660,000		
3% and 3¼% Notes	3,850,000		
Debentures Secured by First Mortgage			
Authorized and issued: $15,000,000 of which $1,000,000 have been redeemed			
Outstanding:			
3% Serial Debentures	2,500,000		
3½% Sinking Fund Debentures	6,500,000		
4% Sinking fund debentures	5,000,000		
		18,510,000	*19,100,000*
Provision for Refund of customers' container deposits of United States subsidiaries		435,090	*369,487*
Provision for Loss on demolition and disposal of equipment in connection with the expansion of a United States subsidiary		. . .	*150,000*
Minority Interest in a United States subsidiary		1,183,041	*1,408,442*
Capital and Surplus			
Capital Stock—authorized 2,500,000 common shares of no par value of which 2,200,000 shares are issued and outstanding	20,451,123		
Capital Surplus	1,726,565		
Distributable Surplus	14,175,064		
		36,352,752	*34,063,917*
		$65,527,694	*$63,262,840*

Approved on behalf of the Board,
E. P. TAYLOR, *Director,*
D. C. BETTS, *Director.*

AUDITORS' REPORT

To the Shareholders,
Canadian Breweries Limited.

We have examined the books and accounts of Canadian Breweries Limited and its wholly owned subsidiary companies for the year ended the 31st October 1949. In connection therewith, we tested accounting records and other supporting evidence and made a general review of the accounting methods and of the Profit and Loss and Surplus accounts for the year. The accounts of Brewing Corporation of America, included in the consolidated accounts attached hereto, have been examined and reported upon by Messrs. Lybrand, Ross Bros. & Montgomery, Certified Public Accountants. The item Provision for Refund of Customers' Container Deposits appearing as a current liability in the accounts of Brewing Corporation of America has been reclassified as a non-current item. The net assets of Brewing Corporation of America represented approximately 15 per cent of the consolidated net assets as at the 31st October 1949. Based upon such examination and the report of Certified Public Accountants referred to above, we report that all our requirements as auditors have been complied with and that, in our opinion, the accompanying Consolidated Balance Sheet and Profit and Loss and Surplus accounts supplemented by the explanatory notes 1 to 9 appended thereto are properly drawn up so as to exhibit a true and correct view of the state of the affairs of Canadian Breweries Limited and Subsidiary Companies as at the 31st October 1949 and the results of operations for the year then ended according to the best of our information and the explanations given to us and as shown by the books of the companies. We also report that, in our opinion, generally accepted accounting principles have been applied during the year, on a basis consistent with that of the preceding year except as to the change in basis of conversion described in note 1, which we approve.

Dated at Toronto, Ontario,
22nd December 1949.

GEORGE A. TOUCHE & CO.,
Chartered Accountants,
Auditors.

CONSOLIDATED DISTRIBUTABLE SURPLUS

Balance at credit the 1st November 1948	$11,886,229
Net income for the year ended the 31st October 1949	6,688,835
	18,575,064
Dividends paid, totalling $2.00 per share	4,400,000
Balance at credit the 31st October 1949	$14,175,064

DIVIDEND NOTICES

THE DOMINION BANK

DIVIDEND NO. 269

Notice is hereby given that a dividend of twenty-five cents per share upon the paid-up capital stock of this Bank has been declared for the quarter ending 31st January, 1950. The dividend will be payable at the Head Office of the Bank and its Branches on and after Wednesday, the first day of February, 1950, to shareholders of record of the 14th January, 1950.

By Order of the Board.

A. C. ASHFORTH,
General Manager.

Toronto, 15th December, 1949.

Dividend No. 250

Notice is hereby given that a dividend of twenty-five cents per share upon the paid-up capital stock of this bank has been declared for the current quarter and will be payable at the bank and its branches on and after Wednesday, the first day of March next, to shareholders of record at the close of business on the 31st day of January, 1950.

By Order of the Board.

T. H. ATKINSON, General Manager.

Montreal, Que.
January 10, 1950.

THE ROYAL BANK OF CANADA

BANK OF MONTREAL

ESTABLISHED 1817
DIVIDEND NO. 347

NOTICE is hereby given that a DIVIDEND of TWENTY-FIVE CENTS per share upon the paid-up Capital Stock of this Institution has been declared for the current quarter, payable on and after WEDNESDAY, the FIRST day of MARCH next, to Shareholders of record at close of business on 31st January, 1950.

By Order of the Board.

GORDON R. BALL,
General Manager.

Montreal, 10th January, 1950.

Belleterre Quebec Mines, Limited

(No Personal Liability)

DIVIDEND NO. 10

Notice is hereby given that a dividend of ten cents (10c) per share in Canadian currency will be paid on March 15, 1950, to shareholders of record at the close of business February 15, 1950.

By Order of the Board.

W. B. DIX,
Treasurer.

Dated at Toronto, January 11, 1950.

SHEA'S WINNIPEG BREWERY LIMITED

Class A Shares

Dividend No. 7

Notice is hereby given that the half yearly dividend of twenty-seven and a half cents (27½c) per share on the outstanding class A shares of the Company has been declared for the half year ending February 15, 1950, payable on February 15, 1950, to shareholders of record at the close of business on January 31, 1950.

DAVID A. KING,
Secretary-Treasurer.

SHEA'S WINNIPEG BREWERY LIMITED

Class B Shares

Dividend No. 7

Notice is hereby given that a dividend of seventy-five cents (75c) per share plus a bonus of twenty-five cents (25c) per share, a total of one dollar ($1.00) on the outstanding class B shares of the Company has been declared for the half year ending February 15, 1950, payable on February 15, 1950, to shareholders of record at the close of business on January 31, 1950.

DAVID A. KING,
Secretary-Treasurer.

Porcupine Reef Gold Mines Limited

(No Personal Liability)

DIVIDEND NO. 1

Notice is hereby given that an Interim Dividend of Two Cents per share in Canadian funds has been declared on the issued capital stock of the Company, and will be paid on April 3rd, 1950, to shareholders of record March 1st, 1950, by order of the Board.

F. H. SNYDER, K.C.,
Secretary.

Toronto, Ontario.
January 11th, 1950.

A. J. FREIMAN LIMITED

Notice is hereby given that subject to the approval of the Foreign Exchange Control Board the quarterly dividend of 1⅛% upon the outstanding Preference Shares of the Company has been declared, payable on and after the 1st day of February, 1950, to holders of record at the close of business on the 16th day of January, 1950.

DATED at Ottawa this 14th day of January, 1950.

LAWRENCE FREIMAN,
President.

A. J. FREIMAN LIMITED

Notice is hereby given that subject to the approval of the Foreign Exchange Control Board a quarterly dividend of twelve and one half cents (.12½c) per share on the Common Shares of the Company has been declared, payable on and after the 1st day of February, 1950, to holders of record at the close of business on the 16th day of January, 1950.

DATED at Ottawa this 14th day of January, 1950.

LAWRENCE FREIMAN,
President.

OIL PRODUCTION

Pacific Pete., Royalite Linked in Recent Deal

From Our Own Correspondent

CALGARY — Two of Canada's more active independents, Royalite Oil Co. and Pacific Petroleums have joined for a test of two reservations in the Calling Lake area. Under terms of the agreement Royalite is to spend a minimum of $75,000. A seismic survey is to be made of the reservations immediately. Drilling plans will depend on results of the survey.

Pacific Pete. also has a new agreement with Pacific Supply Corp., a U. S. organization. The latter is to spend a minimum of $50,000 on exploration of three Alberta areas in the Hanna, and Wallace Mountain section (northeast Alberta) and in area 130 miles northwest of Edmonton.

Pacific is about to spud in Peace River Alberta No. 5 well, 295 miles northwest of Edmonton, 100 miles southwest of Peace River town.

* * *

More Reservations

Another 608,183 acres of Alberta oil lands were placed under reservation in the northern and northwest parts of the province last week with the score of the land play now up to the 25 million-acre mark.

Four Crown reservations totaling 399,360 acres were taken on behalf of B. A. Oil Co. and Cities Service Oil Co. Two reservations, totaling 162,743 acres, were acquired on behalf of the team of Barnsdall Oil Co., Honolulu Oil Corp. and Seaboard Oil Corp. Final 46,080 acres were taken up by Pacific Petroleums.

The B. A.-Cities Service acreage starts about 72 miles north of Peace River town, links in with acreage previously secured by the same team. Seismograph work is expected to be undertaken this winter.

The Barnsdall et al. acreage is about 145 miles north of Edmonton while the Pacific Petroleums acreage, in the Wallace Mountain area, is subject to the deal reported above.

* * *

Pan Western Gets More

Pan Western Oils has been granted another 40 acres on its farmout from Imperial Oil in the southwest part of the Leduc area, giving the independent a total of 200 acres, and a possible five D2 zone oil wells.

The first well on this ground was completed some weeks ago, a second well is testing.

Consideration to Imperial for ground is 8,000 bbl. of oil per successful well, payable out of 10% of first production.

* * *

21 Wells Successful

A total of 21 wells was successful in the first two weeks of 1950.

Five exploratory wells on the central Alberta plains finished drilling last week, failed to find commercial oil production. At Halkirk, Rio Bravo abandoned its Ronald wildcat; the Hudson's Bay Oil & Gas Commonwealth team temporarily abandoned its Battleview test; Spike Redwater Oils failed to find production at St. Michael; the Amcan-Texaco team abandoned its well in the Glen Park area. Mercury Oils and Leduc Consolidated completed its test near Nisku.

DIVIDEND NOTICES

COMMONWEALTH INT'L CORP. LTD.

Sixty-fourth Consecutive Dividend

Notice is hereby given that a dividend of four cents (.04) per share has been declared on the Common Stock of the Company — payable February 15th, 1950 to shareholders of record February 1st, 1950.

By order of the Board.

Montreal, Quebec, (Signed) J. C. Brown
January 6th, 1950. Secretary-Treasurer.

SIMPSONS, LIMITED

Preferred Dividend No. 20

NOTICE is hereby given that the regular quarterly Dividend for the quarter ending March 15, 1950, of One dollar and twelve and one-half cents ($1 12½) per share on the outstanding paid-up Four and one-half per cent (4½%) Cumulative Redeemable Preferred Shares of the Company has been declared payable March 15, 1950, to shareholders of record as at the close of business on February 15, 1950.

The transfer books will not be closed.

By Order of the Board.

FRANK HAY,
Secretary and Treasurer.

Toronto, January 14, 1950.

SIMPSONS, LIMITED

Class "B" Shares
Without Nominal or Par Value
Dividend No. 7

NOTICE is hereby given that a Dividend of One dollar ($1.00) per share on the outstanding paid-up Class "B" Shares Without Nominal or Par Value of the Company has been declared payable March 15, 1950, to shareholders of record as at the close of business on February 15, 1950.

The transfer books will not be closed.

By Order of the Board.

FRANK HAY,
Secretary and Treasurer.

Toronto, January 14, 1950.

SIMPSONS, LIMITED

Class "A" Shares
Without Nominal or Par Value
Dividend No. 17

NOTICE is hereby given that a Dividend of One dollar ($1.00) per share on the outstanding paid-up Class "A" Shares Without Nominal or Par Value of the Company has been declared payable March 15, 1950, to shareholders of record as at the close of business on February 15, 1950.

The transfer books will not be closed.

By Order of the Board.

FRANK HAY,
Secretary and Treasurer.

Toronto, January 14, 1950.

CANADIAN UTILITIES LIMITED

Dividend Notice

NOTICE is hereby given that a quarterly dividend of One Dollar and Twenty-Five Cents ($1.25) per share on the 5 per cent Cumulative Redeemable Preferred Shares of the par value of $100.00 each of the Company will be paid on the 15th day of February, 1950, to all shareholders of record at the close of business on the 27th day of January, 1950.

DATED at Edmonton, Alberta, this 9th day of January, A.D. 1950.

By Order of the Board.

T. A. MONTGOMERY,
Secretary.

Agnew-Surpass SHOE STORES LIMITED

43RD CONSECUTIVE DIVIDEND

A dividend of fifteen cents (.15c) per share on all issued Common Shares of the Company has been declared payable March 1, 1950, to shareholders of record as at the close of business January 31, 1950.

By Order of the Board.

K. R. GILLELAN,
Vice-Pres. and Sec.-Treas.

Brantford, Ont., January 10, 1950.

J. A. FULLER

has been appointed executive vice-president, Shawinigan Water & Power Co., Montreal.

Filing Dates Of Tax Returns

Information returns required under the Income Tax Act for the 1949 taxation year are required to be filed as follows:

Form No.

- P.D. 5—Return of patronage payments—Feb. 28.
- T. 4 — Return of Salaries, wages and other remuneration paid —Feb. 28.
- T. 5, Annuities — Return of contractual annuities paid, Feb. 28.
- 609 — Return of interest paid on fully registered bonds and debentures, Feb. 28.
- 609-B — Return of interest paid or credited on deposits, Feb. 28.
- U.S.T. 4-5-6 — Return of amounts paid by Canadians to residents of United States. Date of filing of related information return.
- T. 5 — Return of dividends paid, Feb. 28.
- T. 3 — Return of income of Estates or Trusts and the distribution thereof, March 31.
- U. S. T. 1—Return of amounts received by Canadian residents from sources within the United States and paid to non-residents, June 15.

COMPANY REPORTS

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

GUARANTY TRUST CO. OF CANADA 1949 net profit amounted to $95,664 as compared with $77,118 previous year. Gains in all departments were experienced during the year.

Total assets amount to $60,095,116, up $4,397,789 from previous year. Cash, bonds, and other liquid securities amounting to $13,068,401 which are carried in company books at less than their market value, are 119.78% of savings deposits, President J. W. Berry states. Estates account amounted to $40,041,836 ($37,935,678).

Annual meeting of shareholders will be held in Toronto Jan. 26.

	1949 $	1948 $
Liabs. to public*	18,210,210	16,208,712
Shareholders' equity	1,843,071	1,552,937
*Secured by:		
Mtges. & sls. agree.	6,777,134	6,358,521
Real estate	1	1
Office premises	188,491	189,307
Liquid assets♦	13,087,655	11,213,820
Total	20,053,281	17,761,649
♦Includes bonds and stocks.		
Estates account	40,041,836	37,935,678
Earned per share†	$0.77	$0.77
Paid (old)	5.00	5.00

†Based on 125,000 shs. o/s in 1949, 100,000 in 1948, after giving effect to 10-for-1 stock split Dec. 20, 1949.

H. R. MacMILLAN EXPORT CO. net profit for the year ended Sept. 30, 1949 was off 31.9%. Lower selling prices and also, in some degree, higher operating costs, reduced profits of the lumber industry last year, Chairman H. R. MacMillan stated.

During the year the company produced 295 million bd. ft. of logs (315 million bd ft. in previous year), 325, (304) million bd. ft. of lumber, 116, (122) million sq. ft. of plywood and 491,856 (395,166) doors of the patented Monodor brand.

Gross capital expenditures during the year amounted to $10,321,284, of which $8,001,356 was on the new pulp mill. Timber purchases amounted to about $890,000. Production of unbleached pulp from new mill is expected in May. The bleaching plant should be operating commercially in November. The objective is to produce the highest possible grade of pulp and to do so to the greatest extent from millwaste and raw material. Right to use a recently developed Swedish bleaching process, which the company believes is best process in world, has been purchased, to strengthen company position in the U. S. market.

Building has remained active in Canada enabling sale of 39% of lumber production, 85% of plywood and 96.5% of door production. Sterling area need for softwoods remains great and unsatisfied. Demand may be accumulating to ensure as much buying as they can afford each year hereafter, possibly in higher volume than at present as their dollar earnings increase or are allocated differently, it is said.

Due to anticipated decline in earnings of ships and other marine property, the remaining four cargo ships were sold advantageously in the first half of the financial year. Release from the National Harbors Board of the West Indies wharf was ended after 20 years occupancy. Sales trend during the year has been away from those overseas markets which for tariff and other reasons purchased rough, green lumber in large sizes, and toward North American and other markets which purchase lumber in ready-to-use sizes, usually planed and to an increasing degree kiln dried. Expenditures have continued through the year to maintain the company in a competitive condition for such markets.

After reducing funded debt by $850,000 working capital position stood at $12,284,749, an increase of $1,167,459.

CONS. INCOME ACCOUNT

Years Ended Sept. 30:	1949 $	1948 $
Total sales	75,888,184	80,692,162
Net earnings	12,883,814	17,179,657
Less: Depletion	628,427	727,811
Depreciation	†1,865,213	1,281,377
Debt int.	280,845	303,470
Prov. for tax	4,082,925	6,382,160
Net profit	5,771,605	8,484,839
Less: Cl. A divd.	374,905	373,135
Cl. B divd.	1,350,010	1,007,466
Surplus for year	4,046,690	7,104,238
†Includes $750,000 additional deprec.		
Times All Interest Earned:		
Before depr. & depl.	45.88	56.61
After depr. & depl.	37.00	49.99
Earnings per Share and Dividend Record:		
Class A	$7.69	$11.37
Paid	0.50	0.50
Class B	2.40	3.62
Paid	0.50+0.10	0.35+0.10

CONDENSED CONS. BALANCE SHEET

As at Sept. 30:	1949	1948
Cash & bonds	$5,232,139	$3,790,537
Accts. rec.	5,258,367	4,614,840
Deposits (guar.)	1,500,000	2,500,000
Inventories	8,376,544	8,169,261
Total curr. assets	20,367,050	19,074,638
Prep. exp., etc.§	416,726	487,276
Misc. assets†	1,004,396	1,437,047
Funds for cap. exp.	......	5,017,500
Escrowed fds.	2,006,403	......
Fixed assets:		
Timber limits▲	11,729,924	11,482,542
Plant & equip.●	15,146,105	9,791,051
Total assets	50,670,604	47,290,054
Accts. & tax. pay.	7,588,215	7,522,437
Other curr. liab.	910,812	922,187
Total curr. liab.	8,499,027	8,444,624
Reserves	2,472,282	2,458,000
Open voyage accts.	393,191	1,131,647
Deferred liab.	394,130	447,425
Funded debt	7,599,000	8,449,000
Minority interest	8,123	7,889
Capital stock	1,962,845	1,820,420
Earned surplus†	29,342,006	24,531,049
†Incl. ref. EPT	297,477	375,803
▲After depletion	7,475,847	6,850,089
●After deprec.	8,593,982	7,737,617
§Incl. in curr. assets in co's report.		
Working capital	11,868,023	10,630,014

BRANDRAM-HENDERSON LTD. operations in the fiscal year ended Sept. 30, 1949, resulted in a net loss of $120,153 as compared with a net profit of $112,078 the previous year. Sales volume was off during the year. Export sales were largely cut off by British Government restrictions.

This condition has now been offset by a "most satisfactory" agreement entered into with one of the largest British paint companies, relative to manufacture of all B-H products in England on a royalty basis. The company is British Paints Ltd., Newcastle-on-Tyne, and it is already manufacturing B-H paints, varnishes, etc., to B-H's own specifications and shipping them under B-H labels, packages, etc., to countries in the sterling area.

Domestic sales were off as well and this combined with drop in export business produced a sharp curtailment in sales. All costs affecting manufacture and distribution increased during the year. Numerous operating economies have been effected and operations are now on a profitable basis, it is said.

CONSOLIDATED INCOME ACCOUNT

Years Ended Sept. 30:	1949	1948
Net earnings	$91	$283,251
Less: Deprec.	70,513	60,000
Bond int.	47,666	28,667
Bd. disc. exp.	2,065	......
Inc. tax res.	......	82,506
Net loss & deficit	120,153	*112,078
*Profit and surplus.		
Earnings per Share and Dividend Record:		
Common	d$2.40	$2.24
None paid.		

CONSOLIDATED BALANCE SHEET

As at Sept. 30:	1949	1948
Cash	$117,963	$93,012
Accts. rec.	538,531	418,235
Inventories	640,721	761,481
Total curr. assets	1,297,215	1,272,728
Prep. exp.§	98,760	72,689
Def. chgs.	35,704	13,244
Refund. EPT	45,557	56,584
Investments	61,097	53,989
Fixed assets*	971,857	1,024,217
Total assets	2,510,191	2,493,451
Bank loan	250,000	500,000
Accts., tax, etc., pay.	360,271	457,208
Total curr. liab.	610,271	957,208
Funded debt	1,075,000	700,000
Capital stock	315,214	315,214
Surplus	†509,206	521,029
*After depr. of	739,989	693,129
§Incl. in curr. assets in co's report.		
†Includes $107,277 tax credits from prior years.		
Working capital	686,944	315,520

NATIONAL TRUST CO. net profit of $420,850 for 1949 was 4.2% higher than the 1948 net of $404,023. It was after paying $304,330 Dominion, provincial and municipal taxes, other than taxes on real estate, ($248,249 in 1948).

Liabilities to the public amounted to $28,855,102 ($28,984,451). This was secured chiefly by liquid assets of $31,201,487 ($31,027,876) and mortgages and sales agreements of $3,249,063 ($3,429,618).

Estates, trusts and agency assets at year-end stood at $341,937,861 ($332,282,823).

Annual meeting has been called for Jan. 24.

	1949 $	1948 $
Liabs. to public*	28,855,102	28,984,451
Shareholders' equity	6,409,677	6,288,827
*Secured by:		
Mtges. & sls. agree.	3,249,063	3,429,618
Realty	3,881	5,436
Office premises	810,348	810,348
Liquid assets♦	31,201,487	31,027,876
Total	35,264,779	35,273,278
♦Includes bonds and stocks.		
Estates accounts	341,937,862	332,282,824
Earned per Share	$1.40	$1.35
Paid	1.00	1.00

NORLARTIC MINES has received payment for Dec. 22 installment of 200,000 shares at 30c a share under agreement with Noront Securities Co. Issued capital is 2,858,335 shares, leaving 1,141,665 in treasury.

DIVIDEND NOTICES

NEW CALUMET MINES LIMITED

(No Personal Liability)

DIVIDEND NO. 5

NOTICE IS HEREBY GIVEN that a dividend of 3 cents per share has been declared by the Directors of New Calumet Mines Limited (No Personal Liability), payable in Canadian funds on February 17th 1950, to shareholders of record February 9th, 1950.

By Order of the Board.

W. B. MALONE,
Secretary.

Toronto, Ontario.
January 16th, 1950.

Great West Coal Company Limited

DIVIDEND NOTICE

Notice is hereby given that a dividend of seventy-five cents (75c) per share on the outstanding common shares in the capital stock of the company has been declared payable on February 15th, 1950, to shareholders of record at the close of business on January 31st, 1950.

By Order of the Board.

ROY W. WILTON,
Secretary-Treasurer.

BRANDON, Manitoba,
January 11th, 1950.

McIntyre Porcupine Mines, Limited

(No Personal Liability)

DIVIDEND NO. 136

Notice is hereby given that a dividend of fifty and one-quarter cents (50¼c) per share in Canadian currency will be paid on March 1, 1950, to shareholders of record at the close of business February 1, 1950.

By Order of the Board.

W. B. DIX,
Treasurer.

Dated at Toronto, January 11, 1950.

Lumber Need Seen Holding For Some Time

The most important of the traditional surviving overseas markets for British Columbia coast lumber are in the sterling area, H. R. MacMillan, board chairman of H. R. MacMillan Export Co. states in a review of his company's operations.

Imminent exhaustion of dollar reserves has forced curtailment of their lumber purchases. Their need for Canadian softwoods remains great and unsatisfied, Mr. MacMillan says. They have not found adequate substitutes. Therefore, demand may be accumulating to ensure as much buying as they can afford each year hereafter, possibly in higher volume than at present as their dollar earnings increase or are allocated differently.

Here is the change in destination of British Columbia coast lumber over the past three years (expressed as a percentage of lumber exports from West Coast region):

	1949	1948	1947
United States	49%	42%	13%
United Kingdom	30%	37%	59%
South Africa	8%	7%	5%
Other Brit. & Common.	10%	7%	9%
Miscellaneous	3%	7%	14%

In each of the three chief markets for B. C. lumber—Canada (41%), U. S. (30%) and U. K. (17%)—lumber goes chiefly into house or apartment house building, more so in the U. S. and the U. K. than in Canada. Therefore the prospective market depends to a great degree upon the need for houses. The continuing emigration to Canada and new family formation with resultant increase in population, together with growth in yearly wealth production and rising standards would indicate that we are far from overtaking either housing needs or our ability to pay for what is required, it is said.

Rising freight charges, however, are likely to restrict the market for coast lumber in Central and Eastern Canada. The additional freight cost per thousand ft. bd. measure from Vancouver during 1948 and 1949 is:

Vancouver to	Wpg.	Tor.	Mtl.	Mari.
Doug. fir & hemlock—rough green lumber	$11	$9	$9.25	$10.50
Doug. fir & hemlock—dressed & dry boards	$7.75	$6.50	$6.50	$7.25

The Federal Housing Administration in the U. S. estimates that during the next decade an additional 14,400,000 permanent non-farm houses will be required. The country has also yet to overtake a great accumulated deficit in housing and construction to meet the needs of the people and to overcome deficiencies in municipal and other public services. The outlook is therefore for continued consumption of lumber on a large scale, Mr. MacMillan says.

Offer Sask. Issue To Yield 3.52%

Province of Saskatchewan has sold a new issue of $2,500,000 of 3½% sinking fund debentures, dated Feb. 1, 1950 and due Feb. 1, 1966/68, by tender to a syndicate headed by Dominion Securities Corp. and including Wood, Gundy & Co., A. E. Ames & Co., Royal Bank of Canada, Canadian Bank of Commerce, and Houston, Willoughby & Co. The bonds are being offered at $99.75 and accrued interest to yield 3.52%.

Proceeds are $900,000 for highways; $600,000 for refunding treasury bills; $600,000 for the Saskatchewan Power Corp. and $400,000 for public works.

Increase 6.5% In Bank Debits

Canadians in November cashed cheques totaling over $8.5 billions, 6.5% over the same month in 1948.

This was the second highest month by total on record, being exceeded only in Nov., 1945, when heavy payments were made on the Ninth Victory Loan.

But while the nationwide total was up, 14 of the 33 clearing house centres showed declines. Four of the five economic areas showed increases over 1948. A gain of 21.1% by the Maritimes and Newfoundland was due to the inclusion of St. John's, Newfoundland, in 1949, there being no comparable data for 1948.

Quebec total was up 1.8%; Ontario 13.1%; and British Columbia 1%. The Prairies failed to show an increase over the corresponding month in the previous year for the first time in three years. The Prairie total was just even with the 1948 level.

For the 11 months to Nov. 30, total cheques were $79.2 billions, up 8.6% over the 1948 total. Increases were Maritimes and Newfoundland 16.6% (again reflecting the inclusion of St. John's figures in 1949), Quebec 4%, Ontario 9%, Prairies 14.4%, British Columbia 7.8%.

Factors in the business situation affecting the volume of cheques cashed showed a mixed trend. Manufacturing employment and production were lower, newsprint output unchanged from the same month in 1948, motor vehicle output up, rubber consumption and steel production lower.

Figures for November with comparisons follow:

CHEQUES CASHED AGAINST INDIVIDUAL ACCOUNTS
(Millions of $ in November)

Prov. and Clearing House Centres:	Nov. 1949	Oct. 1949	Nov. 1948
Maritimes & Nfld.:			
Halifax	106.2	86.0	118.8
Moncton	34.5	32.4	33.1
Saint John	41.3	41.1	46.4
St. John's	58.1	41.8	...
Total	240.1	201.3	198.3
Quebec:			
Montreal	2,086.6	1,983.7	2,040.1
Quebec	192.6	189.8	198.2
Sherbrooke	24.3	26.2	24.7
Total	2,303.6	2,199.7	2,263.0
Ontario:			
Brantford	37.9	34.4	35.0
Chatham	33.3	26.7	28.8
Fort William	19.9	18.5	20.5
Hamilton	194.2	177.2	186.3
Kingston	23.1	18.5	20.3
Kitchener	46.7	42.0	41.9
London	104.9	108.7	101.5
Ottawa	428.3	385.8	447.7
Peterborough	23.8	24.7	23.3
St. Catharines	36.4	30.5	30.6
Sarnia	27.8	27.4	28.1
Sudbury	24.7	24.1	22.3
Toronto	2,576.2	2,289.3	2,175.2
Windsor	128.3	118.9	114.3
Total	.....	.....	.....
Prairie Provinces:			
Brandon	13.3	15.0	13.8
Calgary	236.7	280.4	231.8
Edmonton	178.7	168.0	157.7
Lethbridge	22.6	24.8	24.2
Medicine Hat	9.6	10.2	10.9
Moose Jaw	23.4	26.8	25.2
Prince Albert	12.1	14.0	12.7
Regina	151.9	234.2	144.2
Saskatoon	43.4	47.6	43.6
Winnipeg	932.4	1,076.0	960.8
Total	1,624.1	1,897.0	1,624.9
British Columbia:			
New Westminster	28.5	29.7	28.2
Vancouver	551.1	567.1	548.4
Victoria	87.2	106.8	83.4
Total	666.8	703.6	660.0
Total for Canada	8,540.1	8,328.1	8,022.0

Grain Prices

Chicago Futures

Week to Jan. 16, 1950

Crop year from Aug. 1, 1949 High	Low		High for week	Low for week	Close Jan. 16
		Wheat—			
2.21¾	1.86	Mar.	2.18¼	2.13⅜	2.14⅜
2.16¼	1.19¼	May	2.12⅜	2.08¾	2.09¾
1.99	1.84	July	1.92¼	1.89⅜	1.91¼
1.98⅜	1.90¼	Sept.	1.92⅜	1.90¼	1.92
1.95	1.95	Dec.	1.95	1.95	1.95
		Corn—			
1.33⅜	1.13¼	Mar.	1.31	1.28⅜	1.28⅜
1.33⅜	1.13¼	May	1.30¼	1.27¼	1.27¼
1.31½	1.19	July	1.28⅜	1.25⅜	1.26¼
1.28¼	1.21¼	Sept.	1.23⅜	1.21¼	1.21¼
1.18	1.13¼	Dec.	1.16¼	1.13⅜	1.14¼
		Oats—			
.76¼	.62⅜	Mar.	.74	.72⅜	.72⅜
.73¾	.59⅜	May	.70⅜	.68⅜	.68¾
.67¼	.56¼	July	.63⅜	.61⅜	.62¼
.66⅜	.59⅜	Sept.	.62¼	.60⅜	.61
.63⅜	.62⅜	Dec.	.63⅜	.62⅜	.62⅜
		Rye—			
1.59¼	1.39⅜	May	1.43⅜	1.39⅜	1.40
1.52¼	1.38¼	July	1.44¼	1.40¼	1.40¼
1.47	1.38¼	Sept.	1.44¼	1.40¼	1.40¼
		Soybeans—			
		Mar.	2.35	2.29¼	2.32¼
		May	2.30⅜	2.26	2.28¼
		July	2.26⅜	2.22¼	2.24
		Nov.	2.05	1.98¼	2.00

Chicago Cash

	For Week Jan. 16 High	Low	Prev. Week High	Low
Corn—				
2 Yel.	1.32¼	1.31¼	1.34¼	1.33¼
Oats—				
1 H. Wh.	.78¼	.76¼	.80	.75¼

Winnipeg Futures

Week to Jan. 16, 1950

Crop year from Aug. 1, 1949 High	Low		High for week	Low for week	Close Jan. 16
		Oats—			
.83¼	.69⅜	May	.79⅜	.77¼	.78¼
.80	.73¼	July	.76⅜	.75	.73¼
		Barley—			
1.45⅜	1.09¼	May	1.26¼	1.22	1.22¼
1.41¼	1.17¼	July	1.21¼	1.16⅜	1.17¼
		Rye—			
1.64	1.32¼	May	1.57	1.51¼	1.52⅜
1.60⅜	1.42¼	July	1.55¼	1.48⅜	1.50⅜
		Flax—			
3.78	2.62	May	3.71	3.69¼	3.70
3.79	3.63	July	3.70	3.70	3.70

Winnipeg Cash

	For Week Jan. 16 High	Low	Prev. Week High	Low
Oats—				
2 C. W.	.81⅜	.80⅜	.82¼	.80¼
3 C. W.	.79	.77⅜	.79¼	.77¼
Barley—				
1 Feed	1.23	1.19	1.25⅜	1.21¼
2 Feed	1.20¼	1.16¼	1.23	1.18⅜
1 Malt	1.45¼	1.41¼	1.48	1.43⅜
Rye—				
2 C. W.	1.51⅜	1.47⅜	1.51¼	1.46
Flax—				
1 C. W.	3.69¼	3.68¼	3.71	3.67

$10 Million Oil Refinery For Winnipeg

Imperial Oil will build a refinery at Winnipeg of about 10,000 barrels per day capacity and at a cost of roughly $10 millions, President G. L. Stewart announced this week. The contract will be let shortly and completion of project is scheduled for May, 1951.

Increased refinery capacity together with movement of Alberta crude eastward by pipeline will mean lower petroleum product prices in the area served by the new facilities. The crude will be moved either by rail or branch pipeline from a take-off on the International line at Gretna, Man.

Engineering design for the new plant has been under way for some time and field work will begin as soon as weather permits in early spring. When in full operation the refinery will employ about 175 persons.

DONALD A. McINTOSH,

of the legal firm of Fraser, Beatty, Tucker, McIntosh & Stewart, Toronto, who has been elected a director of Argus Corporation Limited.

*

QUETIDE MINING CO. reports that hole No. 6 had not encountered the andesite-pyolite to a depth of over 359 ft. in the hole showing that the synclinal trough is stretching out to the west, which W. R. MacQuarrie reports from the property may be a feature of importance.

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Country Elevators located in all Prairie Provinces, and
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N. M. PATERSON & COMPANY LTD.
Own and Operate
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109 Country Elevators
Total Storage Capacity 12,000,000 bus.
31 Vessels on the Great Lakes
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Operators of Country Elevators in Manitoba
and Saskatchewan and Terminal Elevators at
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Grain Commission Merchants — Shippers and Handlers
of All Grains

Head Office: WINNIPEG, CANADA

THE WEEK'S QUOTATIONS

Montreal and Toronto Winnipeg, Calgary and Vancouver

Quotations here listed are the official stock exchange prices for listed stocks including curb market quotations. For unlisted stocks, quotations by unlisted dealers are given. The Financial Post cannot accept any responsibility for these quotations.

WEEK ENDING JANUARY 13

Range 1949-50 High	Low	Div R'te $	Jan 13 Y'ld %	Company	Sales	Last Jan. 6	Week end. Jan. 13 H	L	Cl'se
23⅞	9⅞	■1.00+†.50		Abitibi	16780	22¼	23	21¼	21⅞
23⅞	16	1.50	6.7	Do. $1.50 pf.	18834	22¼	22⅞	22¼	22¼
25	19⅞	1.00+■1.15		Acadia At. A	1615	24¼	25	22¼	24¼
104	98⅞	5.00	4.8	Do. 5% pref.	60	103⅞	103⅞	103¼	103¼
15	7	■.50	...	Acme Glove	125	7	7¼	7	7
9¼	7¼	.60	6.7	Agnew Surp.	200	9	9	8⅞	8⅞
15	12⅞		...	Algoma Steel	26665	14¼	15	13⅞	14
61⅞	40⅞	■2.60	3.8	Alum of Can P	805	26¼	26⅞	26	26¼
9	6¼		...	Aluminium N	3465	56¼	57¼	55¼	55⅞
7¼	4¼	■•.40	...	Amal. Electric	50	8	8¼	8¼	8¼
48¼	42⅞	2.25	...	Andian Nat.	1425	5¼	6	5⅞	5⅞
18	14	■1.00	4.8	Ang Can Tel p	150	47¼	47	46¼	46¼
8	5¼	.60	...	Ang. Nfld.	775	15	15¼	15	15¼
78	61	4.50	8.0	Argus	10245	7¼	8	7¼	7⅞
.25	.06		6.0	Do. 4½% prf.	258	77	77	75	75
26¼	20	1.20+■.40		Do. Warr.	126	.20	.20	.10	.20
14¼	10⅞	.60		Asbestos	2640	25¼	26¼	25¼	25¼
12⅞	6⅞	■.75	4.3	Ashdown Hdwe	355	14	14¼	13⅞	13⅞
8	6¼	.50	...	Atlas Steels	5155	8	8⅞	8	8¼
5⅞	3¼	.40	6.7	Auto Elec. A	215	7¼	7¼	7¼	7¼
21	19⅞	.80	10.0	Auto Fabric B	175	4	4	4	4
28⅞	25	1.00	4.0	Bk. Can. Nat.	2200	20	20	20	20
40¼	34	1.40	3.7	Bk. Montreal	4047	27⅞	28¼	27¼	27⅞
40	35	1.20+■.20	3.5	Bk. N. Scotia	925	39⅞	40	39⅞	39⅞
26¼	7¼	2.00+†.50		Bk. Toronto	1565	39⅞	40	39	40
7⅞	3	†.50		Bathurst Pr A	1795	25¼	26	25	25
14¼	12	1.00	...	Do. (B)	885	7¼	7⅞	7¼	7¼
170	160	7.00	7.7	Beatty Bros.	1050	14	14	13	13
11	8	.60	4.2	Belding Cort. p	8	170	165	165	165
17¼	15	1.00	7.1	Belgium Glove	50	8	8¼	8¼	8¼
43⅞	38⅞	2.00	6.2	Do. pref.	25	16	16¼	16¼	16¼
2¼	2	■.10	5.0	Bell Telephone	11652	40⅞	41	40	40⅞
14	9⅞		...	Bickle-Seag.	500	2	2	2	2
1.25	.20		...	Blue Ribbon	125	13⅞	13⅞	13¼	13¼
26⅞	25	1.30	...	Brand & Mill.	4100	.40	.45	.35	.35
21¼	17¼	2.00	4.9	Brant. Cord. p.	140	26	26¼	26¼	26¼
125	100	6.00	10.3	Brazilian Tr.	37826	20⅞	20¼	19¼	19¼
17¼	13	†1.00	5.2	Do. pref.	12	125	115	115	115

Range 1949-50 High	Low	Div R'te $	Jan 13 Y'ld %	Company	Sales	Last Jan. 6	Week end. Jan. 13 H	L	Cl'se
95	86	4.50	4.9	Freiman, pref.	5	91	91¼	91¼	91¼
95	85	4.00	4.3	Gair of Can.	20	95	92¼	92¼	92¼
18⅞	15	1.20	6.6	Gatineau Pwr.	1010	17⅞	18¼	17⅞	18¼
106¼	100¼	5.00	4.7	Do. pref.	102	106¼	106¼	106	106
110⅞	108¼	5.50	5.0	Do. 5½%	5	110	110¼	110¼	110¼
2.75	1.55		...	Gen. Bakeries	1645	2.50	2.50	2.00	2.00
33	16¼	1.00	3.3	Gen. Prod. A	110	30¼	31	30	30
18⅞	13	†.25	...	Gen. St. Wares	945	18¼	18⅞	18¼	18¼
106	99⅞	5.00	4.8	Do. pref.	40	104	105	105	105
103	80	■6.00	...	Goodyear Tires	75	90¼	90⅞	90¼	90¼
53¼	50¼	2.00	3.8	Do. pref.	210	52¼	52⅞	52¼	52¼
22	18	1.00	5.6	Gor MacKay B	25	18	18	18	18
20	17¼	1.00	5.1	Grafton A	25	19¼	19⅞	19⅞	19⅞
16¼	16	.60	6.2	Grand & Toy	200	16	16¼	16¼	16¼
16	9¼	■.90	...	Gt. Lakes Pap	2035	15	15¼	14¼	14¼
41	34	2.50	6.3	Do. A pref.	455	40⅞	41	40	40
25¼	15¼	■1.25	...	Gt. West Coal	285	24⅞	22¼	22	22¼
13	8			Gt W Saddlery	80	10	10¼	10¼	10¼
5	3⅞	.20+■.05		Greening Wire	50	5	4¼	4¼	4¼
13¼	13			Guaranty Tr. n	10	13	13¼	13¼	13¼
19⅞	14	1.40	7.6	Gypsum, Lime	4540	19	19¼	18	18¼
17	10	.60+†.20		Hahn Brass	10	17	14	14	14
25	20	1.00+†.20		Do. pref.	125	23	25	23	23
13	8	■.10	...	Halifax Insur.	199	12¼	12¼	12¼	12¼
13¼	7	.50+■.25		Ham. Bridge	9021	11⅞	13¼	11⅞	12¼
14¼	12¼	.90	6.7	Ham. Cot.	300	13¼	14¼	13¼	13¼
12	9	.80+■.10		Harding Carpet	1675	10¼	10¼	10	10¼
33	20	■1.00	...	Hayes Steel	415	28¼	28¼	27⅞	27⅞
19¼	10	1.00	5.9	Hinde & Dauch	225	17	17	16¼	16¼
105	100		...	Holt Renfrew p	100	100	105	105	105
8	7	.50	6.5	Horner, F. W. p	25	7¼	7⅞	7⅞	7⅞
38	27	2.00	5.5	H. Smith Pap.	2037	36⅞	38	35⅞	36¼
50	42	2.00	4.0	Do. pref.	305	50	49⅞	49¼	49⅞
9¼	6¼	†.10	...	Hunts A	255	9	9	8¼	8¼
121	110	5%	4.1	Huron & E Mt	5	119⅞	121	121	121
23⅞	20	5%	4.2	Do. 20% pf.	10	23	23⅞	23⅞	23⅞
3⅞	2¼	■.20	...	Hydro Electric	1350	3¼	3⅞	3⅞	3⅞
32¼	27¼	1.20	3.9	Imperial Bk.					

Range 1949-50 High	Low	Div R'te $	Jan 13 Y'ld %	Company	Sales	Last Jan. 6	Week end. Jan. 13 H	L	Cl'se
31¼	21¼	1.60+■.25		West Brew.	200	31¼	30¼	30¼	30¼
1.50	.70		...	West Grain	100	1.00	1.00	1.00	1.00
31	22		...	West Grocers	123	30	31	30	30
35	29	2.00	6.3	Do. (A)	35	32	32	32	32
33	29	1.40	4.4	Do. pref.	145	32	33	32	32
3.50	2.50	.10	2.9	Westmin'r P B	200	3.15	3.50	3.50	3.50
26⅞	20¼	1.00	4.0	Weston George	680	26	26	25	25
101¼	90¼	4.50	4.5	Do. 4½% pf.	145	100¼	101¼	100¼	100¼
19¼	17¼	1.00	5.6	Wilsils	110	19¼	19	18	18
17	12		...	Windsor Hotel	321	14¼	14¼	14	14
38	27	■1.40	...	Winnipeg Elec.	3343	36⅞	36⅞	34¼	35¼
101	97	5.00	5.0	Do. pref.	140	100	100	99⅞	99⅞
120	110	7.00	6.0	Wood, A & J p	10	120	116	116	116
20	15	1.60	10.5	Wool Combing	250	15	15¼	15	15¼
7¼	6¼	.40	6.2	York Knit. A	145	6¼	6¼	6¼	6¼
3¼	1⅞			Do. (B)	40	2¼	2¼	2¼	2¼
54¼	39	2.00+†.50		Zellers	335	52⅞	52⅞	52⅞	52⅞
26⅞	24⅞	1.25	4.9	Do. 5% pref.	500	25⅞	25⅞	25⅞	25⅞
29¼	27¼	1.50	5.2	Do. 6% pref.	650	29¼	29	28⅞	28⅞

*On arrears. ▲N. Y. funds. ▲▲Participating div. 'Net after income taxes. •Dividend deferred. ♦After stock split. ■Paid in 1949. ♦Plus extras. ‡Plus payments on arrears. †Paid or payable in 1950.

Mining Stocks

Week Ended January 13

Range 1949-50 High	Low	Div. Rate $	Jan. 13 Yield %	Company	Sales	Last Jan. 6	Week Ending Jan. 13 High	Low	Close
.61	.50	.....	....	Acadia Uran.	1,125				

Oil Stocks

Range 1949-50 High	Low	Div. Rate	Yield	Company	Sales	Last Jan. 6	High	Low	Close
				United Oils	103,845	.20	.13	.13	.13
.30	.18	......	....	Vanalta	2,800	.21½	.22	.18½	.21
.30	.15	......	....	Vulcan	3,100	.23	.21	.21	.21
.20	.02½	......	....	Warner	1,500	.04½	.23	.20	.23
.12½	.06	......	....	York Oils	1,000	.09	.03½	.03	.03½

▲N. Y. funds. x Extra. *Paid or payable in 1949. §Paid in 1948. ‡Capital Distribution. †Payable in 1950.

Volume of Stock Sales

	Montreal	Toronto	Calgary	Vancouver	New York
Jan. 16	146,100	836,000	69,910	53,025	1,710,000
Jan. 14	143,300	614,000	19,950	23,831	1,360,000
Jan. 13	315,400	1,440,000	106,340	95,853	3,890,000
Jan. 12	369,500	1,363,000	110,665	120,076	3,580,000
Jan. 11	439,000	1,297,000	111,945	145,624	3,180,000
Jan. 10	323,600	1,175,000	81,365	92,501	2,670,000

BUSINESS BAROMETER

	JAN.	DEC.	NOV.	OCT.	Year Ago
GOVERNMENT FINANCE (millions of $)					
■Dom. total expend.	....	200.3	200.0	175.6	170.2
■Dom. total rev.	....	199.6	194.6	201.7	220.2
MERCHANDISING					
■Dept. store sales (3)	....	—17	+7	+1	....
■Country store sales (3)	....	....	....	—2.1	....
Retail store sales (3)	....	....	....	+2.2	....
Wholesale sales index (1)	....	....	....	314.5	319.3
FINANCE					
■Dividend payment index (1) (5)	213.8	217.8	215.4	215.2	215.9
Money supply (millions $)	....	....	....	4,377	4,208
NEWSPRINT CAPACITY					
Production ratio (7)	....	....	101.2	100.9	105.2
RAILWAY FREIGHT LOADINGS					
Tons (D.B.S.) (1)	....	....	157.1	149.9	185.6
Cars (D.B.S.) (1)	....	....	151.2	140.3	158.9
COST OF LIVING					
D.B.S. (1)	....	161.5	161.7	162.2	158.9
EMPLOYMENT INDEX					
All industries (6)	....	....	....	202.0	203.3
Payrolls (June 1/41=100) (2)	....	....	....	223.1	214.7
MANUFACTURING					
Inventories (1947=100)	....	....	....	126.7	127.1
Employment (6)	....	....	....	208.5	210.0

	1949-50	1948-49	1949-50 Jan. 1 to date	1948-49 Jan. 1 to date	% Change
RAILWAYS—(000's omitted)	$				
■Carloadings (week Jan. 7)	54.5	68.0	54.5	68.0	—19.9
C.N.R. gross rev. (Nov.)	44,560	44,812	455,453	446,250	+2.1
C.N.R. net rev. (Nov.)	5,493	6,867	16,945	20,327	—6.4
C.P.R. gross rev. (Nov.)	32,168	34,132	333,136	324,172	+2.8
C.P.R. net rev. (Nov.)	1,513	5,050	17,516	16,536	+5.9
IRON AND STEEL PRODUCTION (000's omitted) (Nov.)					
Pig iron production (tons)	157	167	1,982	1,947	+1.8
Steel production (tons)	260	278	2,923	2,921	+0.1
CONSTRUCTION (000's omitted)					
■Contracts awarded (Nov.)	117,206	83,032	1,018,593	898,091	+13.4
Cement prod., bbls. (Oct.)	1,493	1,400	13,446	11,698	+14.9
AGRICULTURE (000's omitted)					
Flour prod., bbls. (Nov.)	1,951	1,965	18,289	20,673	—11.5
Flour exp., bbls (Nov.)	822	1,109	8,945	11,350	—12.4
Wheat exp., bush. (Nov.)	23,799	15,803	192,977	122,061	+58.1
■Cattle sales (Dec.) (4)	164.0	146.5	1,829.9	1,895.3	—3.4
■Hog sales (Dec.)	624.8	445.1	4,429.3	4,767.9	—7.1
SEA FISHERIES (000,000's omitted)					
■Catch, lb. (Nov.)	107.1	142.5	1,096.9	1,188.0	—7.7
■Landed value (Nov.)	2.7	3.3	50.1	56.8	—11.8
NEWSPRINT (000's omitted)					
Production (Nov.) (7)	437	432	4,761	4,563	+4.4
Exports, tons (Nov.) (7)	461	441	4,730	4,525	+4.5
MINING AND OILS (000's omitted)					
Coal prod. (tons) (Nov.)	2,056	1,893	17,091	16,610	+2.9
Gold prod. (fine oz.) (Sept.)	364	295	3,012	2,584	+16.6
■Peroleum prod. (bbl.) (Sept.)	2,170	1,101	15,729	8,650	+8.2
ELECTRICAL POWER OUTPUT (000,000 omitted) (Nov.)					
■Total monthly kwh	3,914	3,634	42,633	40,874	+4.3
FOREIGN TRADE (millions of $)					
■Imports (Nov.)	239.6	238.2	2,547.8	2,405.0	+5.9
Exports (Oct.)	269.1	307.0	2,415.1	2,465.1	—2.0
FINANCE (millions of $)					
■Bank debits (Nov.)	8,540	8,022	79,159	72,887	+8.6
Bond sales (Nov.)	259.4	256.3	4,151.7	4,629.0	—10.3
Life insurance sales (Oct.)	108.5	100.9	1,025.6	974.1	+5.3
OTHER INDUSTRIAL FACTORS					
Shoe prod (Oct.) (000)	3,124	2,905	30,669	26,614	+15.2
Cigarette cons. (000,000) (Nov.)	1,539	1,479	20,872	19,328	+7.9

(1) Base period 1935-39=100.
(2) All industries.
(3) % change from year ago, latest week or monthly average.
(4) Total at yards and plants.
(5) Nesbitt Thomson, ec.
(6) Base period 1926=100.
(7) Includes Newfoundland.
■New item for week.

Company Meetings

1950	Company	Place
Jan. 19	Fleet Mfg.	Fort Erie
Jan. 19	Manufacturers Life	Toronto
Jan. 20	Hard Rock	Toronto
Jan. 20	Industrial Accept.	Montreal
Jan. 20	Marcus G. M.	Toronto
Jan. 20	O'Brien G. M.	Montreal
Jan. 21	Brew. & Dist.	Vancouver
Jan. 23	Cardy Corp.	Toronto
Jan. 24	Can. Vinegars	Toronto
Jan. 24	Confederation Life	Toronto
Jan. 24	Nat. Trust	Toronto
Jan. 25	Candn. Brew.	Toronto
Jan. 25	Continental Life	Toronto
Jan. 25	Imperial Life Ass.	Toronto
Jan. 26	Canada Life	Toronto
Jan. 26	Guaranty Trust	Toronto
Jan. 26	London Life	London
Jan. 27	Can. Perm. Mtge.	Toronto
Jan. 27	Crown Life	Toronto
Jan. 27	De Havilland	Montreal
Jan. 27	John Labatt	London, Ont.
Jan. 27	Western Life	Hamilton
Jan. 28	Biltmore Hats	Guelph, Ont.
Jan. 30	N. A. Life	Toronto
Jan. 31	H. R. MacMillan	Vancouver
Feb. 2	Mutual Life	Waterloo, Ont.
Feb. 3	Bruck Mills	Montreal
Feb. 6	Catelli Food Pro.	Montreal
Feb. 6	Fed. Fire Ins.	Toronto
Feb. 6	Steel of Can.	Hamilton
Feb. 6	Stelco	Hamilton
Feb. 6	Wellington Fire	Toronto
Feb. 13	Mtl. City & Dist. Sav. Bk.	Montreal
Feb. 14	Mex. Lt. & Pwr. 5% 1st Mtge. Bds.	Toronto
Feb. 14	Mex. Elec. Ltd. 5% 1st Mtge. Bds.	Toronto
Feb. 14	Sun Life	Montreal
Feb. 15	Mex. Lt. & Pwr. 5% 2nd Mtge. Bds.	Toronto
Feb. 15	Pachuca Lt. & Pwr. 5% 50-yr. 1st Mtge. Bds.	Toronto
Feb. 16	Mex. Lt. & Pwr. 6% Cum. Deb. Stock	Toronto
Feb. 16	Mex. Lt. & Pwr. 7% Cum. Pfd. Shs.	Toronto
Feb. 17	Mex. Lt. & Pwr. 4% Cum. 2nd Pfd. Shs.	Toronto
Feb. 17	Mex. Lt. & Pwr. 4% Ord. Shs.	Toronto
Feb. 23	Bell Telephone	Montreal
Feb. 27	Mtl. Life	Montreal

Bond Redemptions

Bond Issues:	Rate	Year	Call	Price
♦Candn. Nat. Rly.	5%	1970	Feb. 1	105
▲Gt. Lakes Pr. 1st mtge. bds. ser A	3½%	1950-59, '67	Jan. 31	102½
♦Ott Lt. Ht. & Pr. mtge. & coll. tr. ser. B	4%	1957	Jan. 30	101

♦AA. o/s. ▲$6,100,000.

Bond Tenders

12 noon, Jan. 19, 1950, Canada Treasury bills, payable Apr. 21, 1950, $75,000,000, dated Jan. 20, 1950.

STOCKS NOT TRADED THIS WEEK

	Div. Rate $	Last sale	Jan. 13 Bid	Ask
Assoc. T. & T. A.	..	40	..	..
Do. pref.	■▲5.16	112	43	..
Ault & Wiborg pf.	5.50	105	103¼	103¼
Auto Electric	..	5	5¼	5¼
Auto Fabric A	.60+■.20	7¼	7¼	7¼
Barcelona	..	1.45	1.25	3.00
Bates & Innes	1.00	13¼	13¼	14
Beaver Lumb.	1.00+†.50	31	31	..
Do. A	1.00	19	18⅞	..
Do. pref.	1.40	27⅞	28	..
Beld. Cort.	6.00+†1.00	165	160	..
Bertram & Sons A	1.00	18	..	18⅞
Do. B	.20	6	5¼	8
Biltmore Hats	.40+†.10	6¼	6¼	7
Do. A	1.60	16	16	16¼
Blue Top Br. B	■14.00	25	13	35
Blue Top Br. B	■14.00	25	13	25
Bowes Co. A	.50	9	9	9⅞
Do. B	†.50	26¼	30¼	..
Brand. Hender.	..	9	8	10
Brant. Cord.	.50	10¼	10	12¼
Brant. Roof.	1.00+†.25	16	16	18
Bright, T. G.	1.00	21	15	21
Burnett Ltd.	..	1.50	1.55	1.75
Caldwell Linen	.80+†.20	12	13	14
Do. 1st pref.	1.50	31	31	32
Do. 2nd pref.	.80+■.20	16¼	16¼	17
Can. Flooring B	.60	11	12	..
Can. Foils A	.60	11¼	11	12
Can. Forg. B	■3.00	35	36	..
Can. Iron	.80	19	19	21
Do. pref.	.60	13⅞	14⅞	..
Can. Safeway pf.	4.50	97¼	100	..
Can. Starch pref.	7.00	97¼	98	..
C. Varnish 5% pf.	1.25	21	19	23
Can. Fairb.	2.50	48	39	42¼
Can. Fire	.80	20	19¼	..
C. Gen. Elec.	8.00+■4.00	250	..	..
Can. G. Sec. A	†3.00	50	39	..
Do. B	†3.00	20	39	..
Can. Ice Mach.	..	5	3⅞	4¼
Do. A	.80	12	7¼	13¼
Can. Int. I. Tr. pf.	‡5.00	100	100	..
Can. Oil 4% pref.	4.00	83	84¼	..
C. Pr. & Pa. In.	..	1.60	1.75	2.00
Do. pref.	..	12¼	12¼	15
Can. Wallpaper B	■1.00	12¼	12⅞	16
Cent. Can. L'n	8.00	202	201	..
Cent. Nor. Air. A	■.25	5.00	..	6.00
Do. B	..	2.00	..	2.00
Chart. Trust	1.00	28	28¼	..
Chatco Steel pref.	.50	8	7	8
Cinzano A	4¼d	.35	.40	.75
Do. 5¼% pref.	5¼%	2¼	3¼	..
Circle Bar Knit.	..	7¼	7¼	9
Do. A	1.00	14	14	15
Cochrane-Dun. A	1.20	14	14	14⅞
Coll. Terminal pf.	.25+†.25	9	8¼	..
Cons. Fire Co.	..	5	5	..
Cons. Press B	..	175	175	195
Cons. Textile pref.	1.00	18¼	18¼	..
Corr. P. Box.	1.50	21	21	21¼
Do. 5% pref.	5.00	100	98	..
Craig Bit. pref.	.50	9¼	9¼	..
De Havilland A	■1.00	12	15	20
Disher Steel	†.50	12	12	14
Dom. Ang. I.	■5.00+5.50	109¼	120	..
Do. pref.	5.00	97⅞	97¼	..
Dom. Electro	..	3¼	2⅞	4¼
Dom. Fabrics	.80	12	12¼	13
Do. 2nd pref.	1.50	27	29	31
Dom. Fire	6.00	100	147	..
Dom. Malting pf.	5.00	103	101¼	105
Dom. Scot. Inv.	..	5¼	5¼	5¼
Dom. Square	†1.00	70	60	75
Dom. Textile pref.	7.00	173	173	..
Donnell & Mudge	■.20	5.00	1.50	3.00
Donohue Bros.	1.00	15	15	15¼
East Koot. Pr. pf.	..	40	..	40
East. Theat.	†3.00	25	22¼	..
Esmond Mills	1.00	16	15⅞	..
Federal Fire	2.00+■.25	50	48	..
Fibre Prod. pref.	.50	9	8⅞	9⅞
Fishers A	..	11	11	..
Do. B	..	5	5	..
Flash Fast.	..	1.35	1.00	2.00
Do. pref.	1.00	14⅞	13	14⅞
Fleury Bissell	..	3.00	1.25	4.50
Do. pref.	..	9	8¼	14⅞
Ford Motor B	♦1.00	26	26	29
For. Pr. Secs.	..	.10	.10	.20
Freiman	.30+■.25	9	9	..
Gen. Products B	1.00	17¼	30	..
Do. pref.	5.00	100	100	..
Gord. Belyea	2.50	57	54¼	..

Stocks Not Traded This Week (Continued)

	Div. Rate $	Last sale	Jan. 13 Bid	Ask
Do. pref.	.50	6	5⅞	6⅞
Great West Life	†5.00	465	445	470
Growers Wine	..	1.80	..	..
J. F. Hartz A	.50	9¼	9⅞	10⅞
Hendershot Pap.	1.00	10	9⅞	10
Do. pref.	5.00	75	65	80
Hillcrest Coll.	..	.20	..	..
Holden Mfg. A	.60	8⅞	7¼	12¼
Do. B	■.20	4⅞	4¼	..
Holt Renfrew	..	25	..	..
Ho. De LaSalle	..	14	14	..
Hubbard Felt	■.25	4	..	5
Do. A pref.	1.50	15	..	20
Humberstone S.	■1.50	25	22	26
Hunts B	†.10	9	8	9
Imp. Varnish pref.	1.50	31⅞	30⅞	..
Inter'c. Coal	†1.00	30	20	..
Do. pref.	8.00	115	111	..
Int. Nickel pref.	▲7.00	147¼	145⅞	..
Do. $5 pref.	..	7¼	..	..
Int. Paints	..	6	4	6¼
Do. pref.	1.20	22	..	..
Invest. Found.	..	11	11	12
Do. pref.	6.00	50¼	50	53
Jam Pub. Ser. pf.	7.00	102	101¼	..
Langleys	..	1.40	1.00	1.40
Do. pref.	■1.00	52	50	54
Lawson & Jones A	1.00	18¼	18¼	19¼
Do. B	..	10¼	10¼	10½
Levy Bros.	..	4⅞	5	..
Lindsay, C. W.	..	15	10	15
Do. pref.	■4.00	115	..	..
Loew's Theatres	4.00	70	69	..
London Can. Inv.	■6.50	70	81	..
London Hose.	.60+■.20	5¼	5¼	5¼
Mackin Steel	..	11	8	10
Do. pref.	5.00	90	90	..
Man. Sugar pref.	6.00	102¼	101⅞	..
M. L. Gardens	.50	17	15¼	17
McCabe Grain B	.40	7	7¼	10
Melchers	..	5.00	2.25	5.00
Do. pref.	.60	11	10⅞	11
Mexican Lt. pref.	..	5	..	..
Mitchell, J. S.	4.00+■.25	100	100	..
Mon. Life 40% pd.	..	136	134¼	145
Monarch Mtge.	■1.00	9¼	9¼	11
Mont. Is. Pr.	..	.20	..	..
Mont. Telegraph	■2.00	50¼	50¼	..
Moore Corp. pf. A	▲7.00	292	300	..
Do. pref. B	▲7.00	456	450	..
Morgan pref.	4.75	102	102¼	..
Morrison Brass	..	3	3	3
Nat. Drug.	.50	9	8⅞	9
National Trust	1.00	28¼	28¼	28¼
Neon Pr. of W. C.	.80	13¼	..	..
Nor. Can. Mtge.	†.50	17¼	17	20
Nor. Trusts	■.80	34	..	..
N.S.L. & Pr pref.	6.00	111	111¼	..
Ont. Beauty Sup.	‡.10	.50	.35	.75
Do. pref.	1.00	8¼	8¼	11
Ontario Loan	5.00	130	126	130
Ont. Steel pref.	7.00	130	121	..
Paton Mfg.	.80	19	19	..
Paul, S. S.	†.25	16	15	15¼
Quebec Tele.	.40	9	9	..
Quinte Milk B	■.15	3.00	3.25	..
R. & M. Bear. A	1.10	20	..	21
Regent Knit.	.50	25	25	..
Do. pref.	1.60	23	..	..
Reitman's	..	14⅞	..	15
Do. 5% pref.	1.00	17⅞	17⅞	18
Reliance Grain	■10.00	20	..	20
Renfrew Textile	.60	6⅞	5	10
Renold-Cov. A	1.10+.05▲▲	20	15	20
Rivers Mill B	■1.00	13¼	..	12¼
Robertson P. L. pf	2.50	46	43⅞	..
Robinson Little	.80	9⅞	9	10
Do. A	1.00	15	13	15
Rolland Pap.	..	6¼	6	6¼
Do. pref.	4.25	68	69	..
Royal Oak Dairy A	.80	10¼	10¼	11
Russell Indust. pf.	7.00	603	..	..
Sangamo	■.60	12	11⅞	..
Sarnia Br.	.40+■.10	6¼	6¼	7
Scarfe & Co. A	.80	14¼	14¼	15¼
Scythes & Co.	1.00+■.18	16	15¼	16
Do. pref.	1.25	25¼	25	..
Shirriff's pref.	1.00	20¼	20	20¼
Sidney Roofing	..	15¼	14⅞	..
Silknit	.60+■.40	14⅞	14⅞	16
Do. pref.	2.00	32¼	32¼	36
Silverwoods B	.35	7⅞	7	7⅞
Silverwoods, W. D. pref.	5.00	90	87¼	93
Simon & Sons pf.	5.00	100	99	100
Slater, N. pref.	2.12	46	45¼	48¼
Sov. Life 25% pd.	1.50	48	48¼	..
Stand. Clay.	..	16	..	..
Stanley Brock A	.60	8	8	9
Sterling Coal	..	10	8	10
Sterling Trust	1.00	118	..	..
Stovel Press pref.	.50	5¼	5	6
Stowell B	..	3	4	..
Stuart, D. A. pf	.80+■.60	16	18	20¼
Gord. Mackay A	.50	10	10¼	10⅞
Gould Pumps	1.00	65¼	..	..
Great West Felt	†.30	6¼	5	8
Sun Publishing	■.90	17	17⅞	..
Sup. Pete. com.	†1.50	55	55¼	60
Do. pref.	1.50	62	..	..
Tamblyn pref.	2.00	52	52	..
Taylor Pearson 5% pref.	.50	11¼	..	11¼
Theatre Props.	..	4	4	5
Tip Top Can. A	.50	9	..	10
Tooke Bros.	.40	5	..	..
Toronto Gen. Tr.	7.00	170	168¼	170
Toronto Iron	.60+†.15	11	10¼	11¼
Traders Bldg.	1.00+†.25	21	19⅞	..
Trad. Fin. 4½% pf.	4.50	97	92	98
Un. Amuse. A	1.00	35	35¼	..
Do. B	1.00+■.75	28¼	25	..
Do. A V.T.	1.00	32¼	35¼	..
United Distill.	†1.00	25	..	25¼
Viau Ltd.	1.00	28¼	28	..
Do. pref.	5.00	101	99¼	..
Vir. Dare 5% pref.	1.25	19¼	19	20
Waterous Ltd.	†.10	6¼	5	6
Do. A	.80	10¼	9	11
Wellington Fire	3.50	70	..	..
West. Grain pref.	..	30	22	24
West Koot. pref.	7.00	172	..	..
W'minster Pap. A	.50	8.75	8.50	9.00
Willson Stat.	..	11	9¼	..
Do. pref.	5.00	99¼	95⅞	..
Wilson, J. C.	.60+■.40	11	11	12
Woods Mfg. pref.	1.60	30	..	33

♦Plus extras. ■Paid in 1949. *On arrears. ▲N. Y. funds. 'Net after income taxes. •Dividend deferred. ♦After stock split. ‡Plus payments on arrears. ▲▲Participating div. †Paid or payable in 1950.

Mining Stocks

	Div.	Last sale	Bid	Ask
Alta.	...	.02	.02¼	..
Bayonne	...	.03¼	.03¼	.05
Bouscadillac G. M.	...	.04	.04¼	..
Brazil Gold	...	.02	.02	.04
Brewis	...	.03	.03¼	.03¼
B.R.X. Con.	...	.05	.06	..
Bruce Cons.	...	.01	.00⅞	.03
Bunker Hill	...	.03⅞	.03¼	.03¼
Canusa	...	.10	.09	.10
Celta Devel.	...	.02¼	.02¼	.04
Cent. Manitoba	...	.06	.06	.07
Citralam M.	...	.03	.02¼	.03
Coast Copper	...	1.00	.70	.98
Coin Lake	...	.18	.18	.21
Cryderman	...	.01	.00⅞	.01
Dickstone C.	...	.02	.02	..
Flin Flon	...	.01¼	.01	.02
Forty-Four	...	1.02	1.05	1.10
George Copper	...	.03	..	..
Glenora	...	.02⅞	.02¼	.02⅞
Golconda	...	.30	.29	..
Goldbeam	...	.04¼	.05	.10
Gold Lake	...	.01	.01	.02
Goldora	...	.04¼	.04¼	..
Goodfish	...	.02¼	.02¼	.02⅞
Grandoro	...	.14	.14	.17¼
Grandview	‡.02	.21¼	.19	..
Great Falls M.	...	.03	.02	.04
Grull Wihksne	...	.03	.02¼	..
Heath	...	.06¼	.06	.08¼
Hoyle	...	.26	.24	..
Int. Mining	...	4.75	..	..
Island Lake	...	.00¼	.00¼	..
Jack Lake	...	.02	.02	.03¼
Jacknife	...	.07¼	.06¼	.07
Kerr Lake	•‡.05	.60	.22	.40
Lingside	...	.03¼	.04	.06
Man. & East.	...	.02	.02¼	.02⅞
Maralgo	...	.04	.03¼	.04¼
McGillivray C.	▲.01	.08	.07	..
Mentor Explor	...	1.50	1.50	2.50
N. Alger	...	.08	.08¼	.09¼
N. Louvre	...	.03	.02	.05
North. Empire	▲.15	1.75	1.65	2.00
Placer Devel.	.50	14.50	15.00	16.50
Proprietary	▲.63	18.25	17.50	..
Purdy Mica	...	.06¼	.06⅞	.07⅞
Que. Yk.	...	.02¼	.02¼	..
Red Cloud	...	.00⅞	.00⅞	.01
Red Crest	...	.03	.03	..
Red Hawk	...	.02	.02	.02¼
Regcourt	...	.04	.04¼	.05
Sand River	...	.04¼	.04¼	.05
Soma Duv.	...	.04	.03¼	.06
S. Amer. G.	*▲.25+.05	1.10	..	..
Standard G.	...	.07⅞	.07¼	.09
Star Lake	...	.00⅞	.00¼	.00⅞
Steeloy	...	.06	.06	.07
Sudbury Contact	...	.04	.04	.05
Tiblemont	...	.04	.03	.05
Utica	...	.05	.04¼	.05
Violamac	...	.40	.35	.40
Winora	...	.04	.04	.05
Yukon Cons.	.06	.57	.57	.70
—OIL STOCKS—				
Admiral	...	.02⅞	.02¼	.04
Marvel	...	.04	.02⅞	.04¼
Nordon	...	.14	.11	.15¼
Petrol Oil	▲.03	.15	.12	.20
Royal Crest	...	.04	.03	..
Three Point	...	.05	.06	..
Texas Can.	▲‡1.85	.50	.25	.90
Vul. Brown	...	.13	.10	..
Wellington	...	.04	..	..

▲Paid or payable in 1949. §Paid in 1948. *N. Y. funds. †Payable in 1950. ‡Capital distribution.

Unlisted Stocks

(Compiled from quotations supplied by Kippen & Co., Montreal, and Intercity Securities Ltd., Toronto)

Jan. 16, 1950

	Bid	Ask
Allens Toronto units	42.00	....
Anglo Can. Telephone A	10.50	11.25
Ashdown Hdwre. B	13.75	....
Beauharnois L. H. & Pr.	18.25	19.00
Beauharnois Power	6.00	8.00
British Mtge. & Trust	192.00	200.00
B. C. Sugar	89.00	92.00
Can. General Invest.	17.50	18.00
Can. Gen. Sec. C	7.50	....
Can. Investors Corp.	8.25	8.75
Can. Motor Lamp	12.50	13.75
Can. Silk Prod. A	23.00	24.00
Can. West. Nat. Gas com.	60.00	....
Do. pfd.	18.50	19.75
Capital Wire Cloth com.	14.25	....
Chase A. W. units	53.00	56.00
Colonial St'mships com.	128.00	....
Commercial Finance com.	17.00	....
Commercial Life 10% pd.	10.75	....
Continental Life 20% pd.	45.00	....
Cooksville A	11.50	12.50
Do. B	5.75	7.00
Corporate Investors	8.80	9.30
Cuban Can. Sugar com.	5.00	6.00
Detroit Intnl. Bridge	16.50	17.50
Dover Industries Ltd.	9.50	10.25
Dunlop Tire pfd.	25.00	26.00
Dupuis Freres pfd.	24.00	25.50
Empire Life 25% pd.	17.00	19.00
Foreign Power Co.	6.00	8.00
Galt Brass com.	30.00	33.00
Goderich Elev. & Trans.	15.50	16.50
Granite Club	13.00	14.50
Great West Life	445.00	460.00
Guardian Realty pfd.	54.00	....
Guaranty Co. of N. A.	385.00	415.00
Hart Battery com.	8.50	....
Husky Oil & Ref.	4.50	5.00
Imperial Life	340.00	360.00
Lambton Loan $50 par	81.00	....
Laprairie com.	2.00	4.00
Do. pfd.	85.00	....
Loblaw Groc. Inc.	22.25	23.00
Manufac. Life Ins.	340.00	363.00
Medical Arts	34.00	37.00
Monarch Life 40% pd.	133.50	....
Mountainview Apts. pfd.	26.00	....
Natl. Drug & Chem. c. new	8.50	9.25
Do. pfd.	11.00	13.00
N. B. Telephone	11.00	12.50
Northern Tel. com.	1.50	1.80
Ont. Jockey Club	1,400.00	1,600.00
Ont. & Que. Ry. 5% cap stk	141.00	....
Peller Brewing com.	2.00	2.75
Do. pfd.	15.50	....
Prov. Bank of Canada	16.00	16.75
Prudential Trust	11.00	....
Ritchie Cut Stone pfd.	8.00	8.75
Rosedale Golf	135.00	....
Sawyer Massey com.	2.75	3.75
Seiberling Rubber com.	5.00	6.50
Sincennes McNaught. Tugs	2.00	3.00
Sherbrooke Trust	140.00	....
Sovereign Life 25% pd.	48.50	52.00
Standard Fuel pfd.	35.50	38.00
Do. com	3.00	5.00
Sun Life Assce.	510.00	520.00
Third Can. Gen. Inv.	4.15	4.45
Toronto General Ins.	6.00	8.00
United Farmers Co-op.	2.00	3.50
United Steel A pfd.	24.00	25.00
Victoria Trust & Svgs.	137.00	....
Waterloo Manuf. com.	6.00	....
Waterloo Trust & Svgs.	123.00	125.00
Western Assurance com.	72.00	76.00
Western Grain com.	.90	1.25
Do. pfd.	21.50	23.50
York Trading com.	10.50	12.00

Significant Investors' Index Numbers

No. of Securities	Mach. and equip. 10	Pulp and paper 10	Milling 4	Oils 5	Textiles and clothing 10	Food and allied prod. 15	Beverages 10	Bldg. mater. 16	Power and traction 12	Banks 8	Total utilities 16	Total co's 106
*1935 to date:												
High	247.7	287.9	149.7	123.7	221.9	138.5	447.0	168.5	146.2	136.3	149.0	126.1
Low	69.7	51.6	61.2	41.2	78.4	73.5	79.3	66.7	60.2	60.0	65.2	61.1
1949: Monthly Figures:												
Jan.	234.1	257.1	96.4	75.9	214.3	115.2	294.5	143.0	108.2	132.6	119.2	114.3
Feb.	224.1	244.1	89.8	68.7	203.1	113.6	281.5	139.7	105.7	131.0	115.1	108.1
Mar.	217.5	236.7	85.9	69.5	205.9	112.0	276.1	137.4	106.4	131.0	113.7	106.4
Apr.	211.9	234.2	88.4	70.8	205.7	111.9	274.4	139.6	109.7	132.4	115.7	106.4
May	208.4	227.4	84.2	70.2	204.2	112.8	275.7	136.3	107.4	132.4	113.5	105.3
June	184.7	210.8	85.3	63.8	196.0	111.8	273.3	131.4	104.1	131.0	109.2	99.6
July	198.8	221.4	89.6	66.6	202.2	112.9	292.4	137.0	108.4	130.7	114.3	104.2
Aug.	209.5	230.6	90.2	68.8	204.6	114.6	306.7	140.0	111.2	133.3	119.5	108.2
Sept.	213.1	240.1	93.0	68.9	204.8	116.0	312.5	143.0	112.8	135.2	122.7	109.6
Oct.	221.4	259.0	95.8	75.4	206.4	122.0	329.6	151.4	111.7	139.8	121.9	114.3
Nov.	231.0	274.3	91.8	82.6	219.9	123.5	336.5	158.6	112.2	142.2	121.6	118.2
1949-50: Weekly Figures:												
Dec. 1	230.4	276.5	87.5	81.9	229.8	123.1	340.2	158.6	110.2	140.6	120.7	117.4
Dec. 8	233.5	281.9	85.9	81.7	231.0	120.9	349.5	160.1	112.5	140.8	123.1	118.4
Dec. 15	235.7	287.4	87.4	80.3	229.2	120.2	349.2	162.8	111.9	141.2	122.2	117.6
Dec. 22	228.4	276.0	89.3	83.8	227.9	120.7	347.7	166.9	112.3	140.4	122.6	117.7
Dec. 29	229.3	284.2	92.4	84.2	231.4	122.5	342.9	167.7	113.0	140.1	124.1	118.6
Jan. 5	232.5	291.6	93.6	84.2	233.7	122.5	351.1	170.2	115.1	143.8	125.9	120.1
Jan. 12	232.4	286.5	92.3	83.6	236.2	124.1	352.5	169.8	115.0	142.6	123.9	119.3

*High and low for year from 1935 to date inclusive are based on weekly figures issued by the Dominion Bureau of Statistics.

Toronto Stock Exchange Index

	20 Indust.	20 Golds	10 B.M.	15 W.O.
Jan. 16	206.22	101.74	110.17	63.09
Jan. 14	206.40	101.83	110.83	63.01
Jan. 13	206.16	101.34	109.85	62.22
Jan. 12	208.75	101.80	110.27	62.93
Jan. 11	211.97	103.28	112.05	63.81
Jan. 10	211.58	103.95	112.25	63.70
Month ago	203.13	101.21	111.68	62.49
Year ago	180.02	96.75	108.03	57.87
1949-50 High	212.14	114.63	114.53	64.40
1949-50 Low	157.28	87.96	77.42	38.78

Montreal Stock Exchange Averages

	10 Util.	20 Ind.	30 Com.	10 Pprs.	15 Golds
Jan. 16	75.0	141.0	119.0	372.00	65.31
Jan. 14	75.1	141.9	119.6	372.33	65.49
Jan. 13	75.1	142.1	119.7	372.06	65.49
Jan. 12	75.5	143.5	120.8	374.04	67.10
Jan. 11	75.8	146.2	122.7	385.70	68.80
Jan. 10	75.7	146.1	122.7	384.63	68.76
Month ago	75.3	139.3	117.9	360.02	64.78
Year ago	72.8	130.7	111.4	335.47	67.34
1949-50 Hi.	75.9	146.2	122.7	385.70	74.40
1949-50 Lo.	70.0	109.3	96.3	251.34	60.17

Dow-Jones Closing Stock Averages

	30 Indust.	20 Rails	15 Util.	65 Stocks
Jan. 16	197.17	54.41	40.79	71.51
Jan. 14	196.92	53.78	40.86	71.28
Jan. 13	196.81	54.01	40.90	71.34
Jan. 12	197.93	53.81	40.94	71.52
Jan. 11	201.61	55.80	41.48	73.10
Jan. 10	201.17	55.33	41.48	72.85
Month ago	198.17	51.49	40.76	70.81
Year ago	180.14	53.13	34.38	65.43
1949-50 High	201.98	55.80	41.70	73.10
1949-50 Low	161.60	41.03	33.36	57.75

Government Bonds

(Supplied by Investment Dealers' Assoc. of Canada)

Jan. 17, 1950

%	Due	Bid	Ask
Victory Loans:			
3	June 1951	101¼	101½
3	Mar. 1954	103	103½
3	Nov. 1956	103½	103¾
3	May 1957	102½	102¾
3	Jan. 1959	102½	103
3	June 1960	102½	102¾
3	Feb. 1962	102¼	102¾
1½	Nov. 1950	99½	100¼
3	Oct. 1963	102¼	102¾
3	Sept. 1966	102¼	102¾
Dom. of Canada Bonds:			
3	June 1958	102¼	102¾
3¼	Feb. 1952	102¾	103
3	June 1955	100¼	100¾
3¼	June 1966	103¼	104
3	Perpetual	†101¾	102¼
Dom Guaranteed Bonds			
Can. Nat. Railways:			
3	Jan. 1959	101¼	102¼
4½	Feb. 1956	▪124¼	125¼
4½	July 1957	♦126¾	127¾
5	Feb. 1954	109½	110½
4¾	June 1955	▪124	125¼
2¾	Jan. 1967	98½	100
2¾	Sept. 1969	99	100
3	Jan. 1966	101½	102½
Can. Nat. W. Ind. S.S.:			
5	Mar. 1955	▪124	125
Grand Trunk Pacific Rly.:			
3	Jan. 1962	▪113¾	114¾
4	Jan. 1962	▪124¼	125¾
Provincial Govt. Bonds			
Alberta:			
3¼	June 1950/71	100	101
3½	June 1959/72	♦110	111
British Columbia:			
4½	Jan. 1969	♦132¾	134¾
5	Sept. 1953	106½	108
3	Dec. 1960	99¼	100¼
3	June 1964	98½	100
5	Sept. 1959	♦129	131
B. C. Power Comm.:			
3	Oct. 1967	98	99½
Manitoba:			
4	Dec. 1957	♦118½	120¼
4½	Dec. 1956	♦121	123
5	Dec. 1959	▪129	131
5½	July 1958	116¾	118¼
3	Oct. 1965	98½	100
New Brunswick:			
4½	Apr. 1961	♦120¾	122¾
2¾	June 1966	88½	90½
3½	May 1957	98½	100¼
3½	Sept. 1965	97¾	99¾
Nova Scotia:			
3½	June 1956	101½	102½
4½	Nov. 1960	♦124¾	126¾
5	Mar. 1960	♦128¾	130¾
3	June 1956/58	100	101¼
2¾	Sept. 1966	94½	96½
3½	June 1963/65	101	102½
Ontario:			
2¾	Nov. 1965/69	96	97½
3½	May 1952/55	101¾	102½
4	June 1962	▪123¾	125¾
4½	June 1950	100¼	101¼
4½	Jan. 1962	♦128½	130½
2¾	July 1967/77	94½	96½
3	Nov. 1963/65	100	101½
5	May 1959	▪130	132
Ont. Hydro Commission:			
4	Aug. 1957	▪119½	121½
2¾	Oct. 1965/68	95½	97
3	Dec. 1963/65	100	101
3	Nov. 1967/69	99	100
Prince Edward Island:			
3½	Dec. 1961	101½	102½
Quebec:			
3½	Mar. 1954/59	103	104
3¾	Feb. 1952/55	102½	103½
4½	Aug. 1958	108½	109½
4½	Jan. 1963	113½	114¾
[illegible]	Nov. 1950/52	101	102
3	Sept. 1962/64	99½	101
Quebec Hydro Commission:			
3	Feb. 1969/73	98¾	100¼
3	Dec. 1958/60	100	100¾
Saskatchewan:			
4	Nov. 1955/60	101	102½
5	Aug. 1958	108	110
4½	Mar. 1960	♦118	120
5½	Oct. 1952	104½	105½
6	Mar. 1952	104¾	106¼
5	Dec. 1959	♦121¼	123¼
3	Mar. 1963	94	96
3½	Nov. 1960/62	94	96
3¾	Oct. 1962/65	100	101½

†Callable on or after Sept. 15, 1966. ♦Payable Can. or N. Y.
▪Payable Can., N. Y. or £.

Unlisted Mines, Oils

(By the Broker-Dealer Assoc. of Ontario)

Approximate quotations, 3 p.m., Jan. 16, subject to confirmation and change:

	Bid	Ask
Abenakis	3	5
Advance	3½	4
Alexander	2	4
Aljo	¾	1¼
Ama Kir	5½	7
Anna'que	2½	3½
Arctic	4	6
Argonaut	1	2
Audley	1	2
Auterra	1	3
Baker	1	2
Barb L N	3	5
Beaulieu	¾	1¼
Beauriv	2	4
Bi Ore	19	23
Biroco	13	15
Blondor	1½	2½
Bouzan	12½	14
Bour G	3	4
Bradnar	1	2
Br Breest	1	2
Braminco	17	21
Bravo	1	2
Bright R L	1½	2½
B McDade	6	9
Bulldog	12	15
Burley Po	1½	2½
Camlaren	3½	5
Camray	6	8
Captain	2	3
Carricona	2	4
Cassidy	2	3
Cent M	6	6½
Cock R L	1	2
Columbier	2½	3½
Con Chib	25	29
Con Cop	8	9
Courageo	1	2
Craibbe	3½	4½
Croydon	1½	2½
Cuyuni N	37	42
Delhi	5	8
Derlac	2	3
De Sant	2½	3½
Dickenson	12	15
do new	43	45
Dom Mal	1	2
Dona Pat	½	1¼
Doris	3	5
Durham	7	9
Echo Ind	3½	6
Elmac	2	3
Erin Kirk	2½	3½
Flicka	1½	2½
Forty For	102	107
Gan Cop	2	4
Geneva L	3	5
Gilbec	½	1¼
Goldpac	7	12
Goodrock	1	2
Gord Lebel	½	1½
Gov Gold	3	5
Grnd Chib	45	55
Greenlee	4	6
Grndhog	13	..
Halden	3	5
Hornfault	13	15
Harp Mal	1	2
Hayes Cad	½	2
Hugh Pam	16½	18½
Independ	3½	4½
Islepines	5	8
Joannes D	1	2
Kamlac	14	16
Ken Bay	4	6
Kenda Pe	4	7
Kenroy	1	2
L Expanse	8	10
Lar Add	3½	4½
La Salle	3	4
Lavalie	4½	5½
Legardo	1	3
Lennie	1½	3
Le Pine	2	5
Louvore	½	1½
Mallen R L	4½	5½
Marbenor	10	12
Marquette	1	3
Mar Bird	3	4
Mary Ann	6½	8
Mat Con	32	35
Mate Yel	3	5
Metalore	2	4
Miles R L	3½	5
Mindus	13	16
Mink	3	6
Mistassini	2½	4
Moffatt H	1	2
Mohawk P	2	3
Morris K	1	3
Murbell	¾	1½
Murmac	6	8
McManus	5	7
McCuaig	4	6
Nat Mal	60	65
do new	4½	5½
Nayb '45	1	3
Newcore	9	11
New Aug	15	18
New Mal	3	4
Nickel L	2½	3½
Nisto	24	27
N Offsets	135	175
Norbeau	130	140
Norbec	9	12
Norcourt	2½	3½
Norford	1½	2½
Normar	2½	3½
Nortyne	¼	1
Novell P	2	4
Obalski old	5	8
do '45	17	19
Obaska	9	11
Opemiska	18	20
Oklend	5	6
Olivet	2	3
Ortona	4½	5
Pascalis	12	14
Pelangio	3	5
Payne	2½	4
Phelps	1½	2½
Pinnacle	1	2
Poona Go	½	1
Presdor	2	4
Privateer	14	17
Pro Divers	10	15
Quejo	6½	8
Quest	1½	3
Rand Mal	13	14
Rajah R L	1	3
Raymond	1½	2½
Randona	3	5
Redruth	4	6
Redwood	4½	6
Rhyolite	1	2
Richgroup	5	6
Russet	4½	5½
Salmita	2	3
Santiago	13	14
Sepha	3	4
Sheldon	11	13
S Dufault	3	6
Silv Arrow	3	5
Sovereign	1	4
Skynner	3	5
Starlight	2	4
Sun Bear	3	4
Thornhill	1	2
Tobico	2½	3½
Tovarich	1	2
Viking	14	17
Val d'Bel	½	1½
Vinray	2	3
Walcora	4	5
Wesley	1	2
West R L	1½	2½
Wilwood	1	2
Y Davids	18	20
Yelknife	175	..
do vt	130	..
OILS		
Crusader	23	26
Franco	63	68
Granleduc	15	19
Home O	13½	13¾
Jupiter	19	21
Lingnora	3	5
Major Oil	5	6
New Ranch	2	3
Pac Oil Re	3½	4½
Princess	37	40
Reef Pete	46	48
Universal	1	2
Vermilion	35	37
Westlock	6	8

Staff Changes

Chartered banks announce the following staff changes:

Canadian Bank of Commerce:

R. D. SCOTT, accountant, Chatham, Ont., to be assistant manager, Chatham, Ont.

G. V. WATSON, to be manager, newly opened branch, Fisher Branch, Man.

J. A. KIDD, assistant manager, Chatham, Ont., to be manager, Lansing, Ont.

A. S. FIEGHEN, accountant, Ottawa, Ont., to be assistant manager, Rideau St., Ottawa.

K. B. SMITH, an assistant manager, Vancouver, B.C., to be manager, Walkerville, Ont.

A. B. CAMPBELL, accountant, Calgary, Alta., to be manager, Crossfield, Alta.

O. H. ROSE, formerly manager, Kingston, N.S., to be manager of newly opened branch, Dartmouth, N.S.

R. GREGOIRE, accountant, Magog, Que., to be manager, Malartic, Que.

H. ST. ONGE, manager, Malartic, Que., to be manager, Maisonneuve, Montreal.

J. LUNAN, manager, Crossfield, Alta., to be manager, Nanton, Alta.

* * *

Montreal:

C. W. HARRIS, assistant secretary at head office, to be secretary, head office.

B. C. McBURNEY, of Hamilton, to be manager, Dundas branch, shortly to be opened.

C. W. ILEY, accountant, Hamilton, to be assistant manager, that branch.

G. C. HIBBERT, assistant manager, Hamilton, to be senior assistant manager, King & Yonge Sts., Toronto.

R. O. HUNT, accountant, Kelowna, to be assistant manager, that branch.

F. R. SOUTHEE, assistant manager, Main & Hastings Sts., Vancouver, to be special representative with headquarters in San Francisco.

R. J. ALLEN, assistant manager, Kelowna, to be assistant manager, Main & Hastings Sts., Vancouver.

Investment Trust

	Bid	Ask.
Affiliated Funds	4.21	4.56
Can. Int. Trust	4.50	5.25
Can. Invest. Fund	4.90	5.35
Can. Invest. Corp.	8.25	8.75
Corporate Invest.	8.79	9.48
Commonwealth Int.	3.59	3.95
Trans-Canada	14.25	....
Do. B	....	15.15

Record of Financing

Sales by Municipalities, Provincial and Dominion Government. Offerings of Corporation and Foreign Securities

DOMINION

Government of Canada Treasury bills — Due Apr. 6, 1950, $75,000,000, issued Jan. 5, 1950. Sold at $99.87372 to yield .513%.

MUNICIPAL

Ste. Foy School, Que. — 3% and 3½% debentures, due Dec. 1, 1950-64, $250,000, dated Dec. 1, 1949. Sold at $98.424 by a syndicate composed of Gairdner & Co. Ltd., Dudley Dawson Ltd., J. T. Gendron Inc., Lagueux & Desrochers Ltd. and Banque Canadienne Nationale.

Ste. Martine School, Que.—3% and 3¼% debentures, due Oct. 1, 1950-64, $100,000, dated Oct. 1, 1949. Sold at $99.05, cost basis, 3.319% by Rene-T.Leclerc Inc.

City of Penticton, B.C. — 3½% debentures, due Dec. 15, 1950-69, $334,000, issued Jan. 4, 1950. Sold at $100.360 by Jas. Richardson & Son and Nesbitt, Thomson & Co. Ltd.

Regina Public School District No. 4, Sask.—3¼%, 3½% and 3¾% debentures, due Feb. 1, 1951-60-70-80, $225,000, issued Jan. 5, 1950. Sold at $100.411 by Dominion Securities Corp., Bell, Gouinlock & Co. Ltd., and Houston, Willoughby & Co.

Dividends Declared

	This payment $	Date payable	Date of record
Agnew-Surpass	.15	Mar. 1	Jan. 31
Anglo-Can. Tel. pfd.	.56¼	Feb. 1	Jan. 10
Anglo-Hur.	.15	Jan. 25	Jan. 3
Argus Corp.	.15	Mar. 1	Jan. 31
Do. pfd.	1.12½	Mar. 1	Jan. 31
Ault & Wiborg pf.	1.37½	Feb. 1	Jan. 16
Bk. of Montreal	.25	Mar. 1	Jan. 31
Bank of N. Scotia	.35	Feb. 1	Dec. 31
Bathurst Pwr. A	.50+.50	Mar. 1	Feb. 1
Do. B	.50	Mar. 1	Feb. 1
Beaver Lumber	.50+.50	Feb. 1	Jan. 10
Do. A	.25	Apr. 1	Mar. 10
Do. pfd.	.35	Apr. 1	Mar. 10
Belleterre Que.	.10	Mar. 15	Feb. 15
Blue Ribbon pfd.	.62½	Feb. 1	Jan. 20
Bowes Co. A	.12½	Feb. 15	Jan. 31
Do. B	.50	Feb. 15	Jan. 31
Brant. Roofing	.50+.25	Feb. 1	Jan. 15
Brewers & Dist.	.50	Mar. 1	Jan. 31
Do.	.25	June 1	Apr. 29
Do.	.25	Sept. 1	July 31
B. C. Forest	.15	Feb. 1	Jan. 3
B. C. Pulp & Pa. pf.	1.75	Feb. 1	Jan. 15
B. C. Tele. 6% 2nd pf	1.50	Feb. 1	Jan. 17
Brempton	.25	Jan. 25	Jan. 4
Broulan Porc. M.	.02	Mar. 1	Jan. 27
Brown pfd.	1.50	Mar. 1	Feb. 14
Burns Co. A	1.40	Jan. 28	Jan. 7
Do B	.40	Jan. 28	Jan. 7
Do. A & B	.40	Apr. 28	Apr. 7
Do. A & B	.40	July 28	July 7
Do. A & B	.40	Oct. 28	Oct. 7
Butterfly Hose. pfd.	3.50	Jan. 31	Dec. 31
Caldwell Linen	.20+.20	Feb. 1	Jan. 13
Do. 1st pfd.	.38	Feb. 1	Jan. 13
Do. 2nd pfd.	.20+.20	Feb. 1	Jan. 13
Can. Cement pfd.	.32½	Mar. 20	Feb. 20
Can. Nor. Pwr.	.15	Jan. 25	Dec. 20
Can. So. Rly.	†1.50	Feb. 1	Dec. 28
Can. West. Cord. A	.12½	Feb. 1	Dec. 31
Candn. Bakeries	.20	Jan. 11	Dec. 31
Can. Bk. of Comm.	.20	Feb. 1	Dec. 31
Candn. Bronze	.32+.50	Feb. 1	Jan. 10
Do. pfd.	1.25	Feb. 1	Jan. 10
Candn. Coll	.15	Feb. 28	Feb. 14
Candn. Conv. A	.18¾	Jan. 31	Dec. 31
Candn. Fairb.-M.	.50	Mar. 1	Feb. 15
Candn. Dredge	.25	Feb. 2	Jan. 6
Candn. Ind.	.27½	Jan. 31	Jan. 3
Candn. Inv. Corp.	.10	Feb. 1	Jan. 9
Candn. Inv. Fund	.06	Feb. 1	Jan. 15
Candn. Oil	.25	Feb. 15	Jan. 20
Can. Pac. Rly. 4% pf.	2%	Feb. 1	Dec. 31
Candn. Utilities pf.	1.25	Feb. 15	Jan. 27
Can. West. Lumber	.10	Apr. 15	Mar. 18
Do.	.10	July 15	June 17
Do.	.10	Oct. 16	Sep. 18
Celtic Knit.	.50	Jan. 31	Jan. 18
Do.	.50	July 31	July 15
Chatco pfd.	.25	Mar. 1	Feb. 15
Coast Brew.	.06	Feb. 1	Jan. 13
Cochrane-Dunlop A	.20	Feb. 15	Jan. 31
Do. pfd.	.30	Feb. 15	Jan. 31
Cockshutt Plow	.35	Mar. 1	Feb. 1
Do.	.35	June 1	May 1
Do.	.35	Sep. 1	Aug. 1
Do.	.35	Dec. 1	Nov. 1
Colonial St'ships	10.00	Feb. 14	Jan. 14
Collingwood Ter.	.25+.25	Jan. 31	Jan. 10
Do. pfd.	.25+.25	Jan. 31	Jan. 10
Common. Intl. Corp.	.04	Feb. 15	Feb. 1
Consol. Bak.	.25	Feb. 1	Jan. 3
Craig Bit.	.25	Feb. 1	Jan. 18
Crown Cork & Seal	.50	Feb. 15	Jan. 14
Disher Steel A	.37½	Feb. 1	Jan. 14
Dome M.	.20	Jan. 30	Dec. 30
Dom. Bank	.25	Feb. 1	Jan. 14
Dom. Bridge	.40+1.00	Feb. 24	Jan. 3
Dom. Coal	.37+.38	Jan. 25	Dec. 30
Dom. Fabrics	.20	Feb. 1	Jan. 11
Do. 1st pfd.	.75	Feb. 1	Jan. 11
Do. 2nd pfd.	.37½	Feb. 1	Jan. 11
Dom. Malting	.25	Feb. 1	Jan. 18
Do.	.25	Mar. 1	Apr. 6
Do. pfd.	1.25	Feb. 1	Jan. 18
Do.	1.25	May 1	Apr. 6
Dom. Oilcloth	.40+.40	Jan. 31	Jan. 19
Dom. Scot. Inv. pfd.	.62½	Mar. 1	Feb. 15
Dom. Stl. & Coal B	.25+1.00	Jan. 25	Dec. 30
Dom. Tar & Chem. com. & V.T.	.25	Feb. 1	Jan. 3
Dom. Woollens	.25	Feb. 1	Jan. 14
Donnacona Pap. pf.	1.12½	Feb. 15	Jan. 16
Dryden Pap.	.30	Feb. 1	Dec. 31
East. Theatres	3.00	Feb. 6	Dec. 31
Eastern Townships	.25	Jan. 16	Dec. 31
Enam. & Heat.	.50	Jan. 31	Dec. 31
Esmond Mills pfd.	.25	Feb. 1	Jan. 9
Farmers Tel.	.62	Jan. 31	Dec. 31
Fed. Grain pf.	1.62	Feb. 1	Jan. 16
Foundation Co.	.35	Jan. 20	Dec. 30
Fraser Cos.	.50	Jan. 23	Dec. 31
Gair pfd.	1.00	Mar. 1	Feb. 11
Gen. Steel	.25	Feb. 15	Jan. 17
Do. pfd.	1.25	Feb. 1	Jan. 5
Goodyear Tire pfd.	.50	Jan. 31	Jan. 10
Grafton B	.25	Feb. 1	Jan. 16
Grandview M.	.02	Feb. 1	Jan. 1
Gt. West Coal	.75	Feb. 15	Jan. 31
Gypsum, Lime A	.35	Mar. 1	Feb. 1
Do.	.35	June 1	May 1
Do.	.35	Sep. 1	Aug. 1
Do.	.35	Dec. 1	Nov. 1
J. F. Hartz A	.12½	Feb. 1	Jan. 20
Hinde & Dauch	.25	Jan. 30	Nov. 30
Holden Mfg. A	.15	Feb. 1	Jan. 21
How. Smith Pap.	.50	Jan. 30	Dec. 31
Do. pfd.	.50	Jan. 20	Dec. 31
Howe Sound	†.50	Mar. 10	Feb. 15
Hud. Bay Co.	4%+2½%	Jan. 30	unstated
Hydro-Elec. Sec. B	.25	Feb. 1	Dec. 30
Imp. Bank	.30	Feb. 1	Dec. 31
Imp. Tobacco pfd.	.12½	Feb. 1	Dec. 20
Inter-City Bak.	‡.10	Jan. 31	Jan. 16
Int. Nickel pfd.	†1.75	Feb. 1	Jan. 3
Int. Utilities	†.25	Mar. 1	Feb. 10
Jack Waite M.	.01	Mar. 18	Feb. 24
Lamaque G.	.12	Feb. 1	Dec. 9
Laura Secord	.20	Mar. 1	Feb. 1
Lauren. Accept. pf.	.25	Jan. 31	Jan. 14
Leitch G. M.	.02	Feb. 15	Jan. 31
Lewis Bros.	.25	Jan. 31	Dec. 31
Mailman Corp. pfd.	1.25	Jan. 31	Jan. 17
Massey-Harris	.37½	Mar. 15	Feb. 18
Do. pfd.	.62½	Mar. 15	Feb. 18
McCabe Gr. A	.15	Feb. 1	Jan. 14
Do. B	.10	Feb. 1	Jan. 14
McColl-Front. pfd.	1.00	Jan. 20	Dec. 30
McIntyre Porc. M.	.50½	Mar. 1	Jan. 31
Mercury Mills	.15	Feb. 1	Jan. 14
Midland & Pac. Gr.	.25	Feb. 1	Jan. 14
Minn. & Ont. Pap.	†.37½+.50	Jan. 25	Dec. 30
Mtl. Trust	1.00	Jan. 16	Dec. 31
Mt. Royal Dairies pf	.31	Jan. 15	Dec. 31
Mt. Royal Rice	.12½+.10	Jan. 31	Jan. 16
Neon Products	.40	Jan. 23	Jan. 9
Nor. Tel.	.02	Jan. 16	Dec. 31
Northwest. Util. pf.	1.00	Feb. 1	Jan. 13
Ont. Steel	.50	Feb. 15	Jan. 16
Do. pfd.	1.75	Feb. 15	Jan. 16
John Palmer A	.12½	Jan. 31	Jan. 16
Penmans Ltd.	.75	Feb. 15	Jan. 16
Do pfd.	1.50	Feb. 1	Jan. 3
Perron G. M.	.01	Jan. 31	Jan. 3
Porc. Reef G. M.	*.02	Apr. 3	Mar. 1
Pressed Metals	.25	Mar. 1	Feb. 10
Do.	.25	June 1	May 10
Price Bros.	2.00+.50	Feb. 1	Jan. 16
Purity Flour pfd.	.87½	Feb. 1	Jan. 13
Que. Power	.25	Feb. 25	Jan. 17
Reitman's pfd.	.25	Feb. 1	Jan. 14
Robinson Cot.	.10	Feb. 1	Jan. 2
Royal Bank	.25	Mar. 1	Jan. 31
Royal Trust	.80+.80	Feb. 1	Jan. 20
St. Law. Corp. 1st pf.	.50	Jan. 25	Jan. 4
Do. 2nd pfd.	.18¾	Jan. 25	Jan. 4
St. Law. Flour	.40	Feb. 1	Dec. 31
Do. pfd.	1.75	Feb. 1	Dec. 31
St. Law. Pap. 1st pf.	1.50	Jan. 25	Jan. 4
Do. 2nd pfd.	.80	Jan. 25	Jan. 4
Saudi-Arabian M.	†.10	Feb. 28	Jan. 20
Scarfe & Co. A	.20	Feb. 1	Jan. 15
Do. B	.10	Feb. 1	Jan. 15
Shawinigan W. & P.	.30	Feb. 25	Jan. 17
Shea's Brew. A	.27½	Feb. 15	Jan. 31
Do. B	.75+.25	Feb. 15	Jan. 31
Sherwin Wms.	.25+.25	Feb. 1	Jan. 10
Shirriff's A	.06	Feb. 1	Jan. 13
Do. pfd.	.25	Feb. 1	Jan. 13
Sidney Roofing A	.22½	Feb. 1	Jan. 14
Sigma M.	.25	Jan. 28	Dec. 28
Simpsons A & B	1.00	Mar. 15	Feb. 15
Do. pfd.	1.12½	Mar. 15	Feb. 15
N. Slater	.30+.30	Feb. 1	Jan. 10
So. Can. Pwr.	.30	Feb. 15	Jan. 20
Southam Co.	†.20	Jan. 20	Dec. 30
Stand. Chem.	.12½	Mar. 1	Jan. 31
Do. pfd.	1.25	Mar. 1	Jan. 31
Stand. Fuel pfd.	.56¼	Feb. 1	Jan. 16
Stand. Pav.	.25	Apr. 1	Mar. 1
Do. pfd.	.62½+.50	Apr. 1	Mar. 1
Stanfields A & B	.30	Jan. 16	Dec. 31
Stanley Brock A	.15	Feb. 1	Jan. 10
Do. B	.10	Feb. 1	Jan. 10
Steel of Can. ord. & pfd.	.75+1.00	Feb. 1	Jan. 6
Teck-Hughes	.05	Feb. 1	Dec. 9
Union Gas	.12½	Feb. 1	Jan. 6
United Corp. A	.38	Feb. 15	Jan. 31
Do B	.25+1.30	Feb. 28	Jan. 31
Vancouver Pac. P. A	.12½	Feb. 1	Jan. 6
H. Walker	.60	Mar. 15	Feb. 17
Waterous A	.20	Feb. 15	Jan. 31
Wesley Mason pfd.	1.37½	Feb. 1	Jan. 17
Westminster Pap. A	.12½	Jan. 31	Jan. 7
Do. B	.02½	Jan. 31	Jan. 7
Wood, Alex. & Jas. pf.	1.75+1.75	Feb. 1	Jan. 14
Zeilers	.50+.50	Feb. 1	Jan. 2
Do 5% pfd.	.31¼	Feb. 1	Jan. 2
Do. 6% pfd.	.37½	Feb. 1	Jan. 2

†American funds. *Inital. ‡Extra.

Commodities

	Latest week	Previous week	Same week last yr.
Cattle	$21.15	$20.75	$21.53
Hogs	25.10	27.60	31.35
Copper, lb.	.18½	.18½	.23½
Sugar, raw, lb.	.0525	.0515	.0520
Coffee, lb.	.49	.49½	.27¾
Hides	.25	.25	.27
Weekly Indices			
U. S. Labor	151.2	150.5	161.3
Dow Jones	133.90	132.98	139.60
Fisher's	160.3	160.1	169.7
Monthly Indices			
Retail (Dec.)†	161.5	161.7	158.9
W'sale (Nov.)	157.6	157.1	159.7
U. S. (Sept.)	153.7	153.0	162.8
Gt. Brit. (Oct.)	236.1	233.7	219.8

Note: The base of indices is that 1926 equals 100. †Base 1935-39 equals 100. The British index is Board of Trade converted to 1930 base.

Base price of quotations is as follows: Cattle — Steers, good, up to 1,000 lb., top price, Toronto. Copper-electrolytic, New York. Coffee, No. 4 Santos. Rio Sugar 96 degrees centrifugal c/f New York.

Market Comment

What stocks and bonds are doing and what prominent observers say

Stocks were slowly righting themselves and pointing upward again at midweek after the unaccountable wave of selling that caught the market flat-footed last Thursday afternoon.

Although some investor confidence was shaken by the two-day rush of selling orders on U. S. exchanges, there was little evidence of anything approaching panic selling in Canada. Everyone knew the setback was long overdue; it was the suddenness with which prices were chopped down that was disturbing.

If last week's setback heralds a correction of intermediate proportions, the Dow-Jones industrials could lose anywhere from 1/3 to 2/3 of its 7-month 42-point advance, according to Dow theory. Present day markets have a habit of accomplishing corrections in a short period and making the minimum of change. Some continued irregularity is indicated over the near term but nothing has changed in the broad picture to suggest that the broad market advance that got under way last June is over.

The U. S. market is awaiting the appearance of President Truman's special report and recommendations on taxes due for release later in the week. So widespread is Congressional opposition to tax increases of any sort that considerable Washington opinion is that failure to provide new revenue concurrently with the revision of excise taxes will mean no additional tax legislation in 1950.

* * *

J. S. LIGHTCAP: Lightcap Securities (Winnipeg)

Dow-Jones industrial averages reached a high of 202.98 last week and in two days reacted to a low of 193.95.

This is the first major break since the market reached its low last June, which is one of the longest periods on record without a setback.

Another factor influencing the technical condition of the market is the time element in respect to the change over from short term capital gains to long term capital gains for investors in the United States. Those persons who have obtained the biggest profits on the rise of the stock market during the last six months are those who purchased stocks between May 1 and July 1.

If an investor in the United States holds stocks for, say, less than six months, it is taxed on a different basis and at a much higher rate than if he held the stock for a period exceeding six months, when it is then classed as a long term capital gain. Those persons who purchased stocks at the beginning of the market rally last June can now sell these stocks and take a long term capital gain which may have influenced to some extent the recent action of the stock market.

It is quite possible that this market may sell at still lower levels before a worthwhile rally takes place. Again taking the Dow-Jones averages, the market has advanced approximately 42 points from the low in June to the high this week. A normal reaction would be about one-third of this advance or 14 points. This would take the Dow-Jones industrial average back to 187.189. Should this occur, it is quite possible that the market will fluctuate within a 10 or 12-point range for the next six or seven weeks. By that time some indication will have been given as to first quarter earnings. Also, the results of the British elections will be known.

The wide spread between yields on high grade bonds and dividends from common stocks, would indicate that ultimately stocks will show a further advance.

* * *

A. A. McLAUGHLIN: Crabtree & McLaughlin (Montreal)

At its high at this writing, the Dow-Jones industrial average had recovered about two-thirds of the ground lost in last week's sudden sell-off. While short-swing market fluctuations have a perverse habit of confounding the forecaster, it appears premature to accept last week's 9-point, 4-day dip as a full correction of the preceding 40-point, 7-month upswing. In other words, the odds seem to favor a somewhat more thorough corrective reaction, or more lateral consolidation, as a prelude to dynamic resumption of the bull trend.

Because the weight of evidence supports assumption that the major trend is still upward, any such reaction should be regarded as a definite buying opportunity —possibly the last comparable one for some time. For the same reason, disturbance of soundly invested positions in common stocks is not warranted.

This view is justified because the recent reactionary tendency is explicable largely in terms of technical and short-run factors, while the long-run influences remain predominantly bullish.

Despite its substantial rise since last June, the stock market still has a long way to go before catching up with the postwar level of business and profits. Only a bull market is compatible with dividend yields 2¼ to 2½ times the returns obtainable on top-grade bonds, at a time of exceptionally wide dividend coverage, and against a background characterized by relative stability of business at a high level, a fiscal trend that has a strongly inflationary bias for the long-secular haul, and rather encouraging signs of an improving governmental climate for business and finance.

In these circumstances, long-range investment policy should continue to emphasize ownership of carefully selected equities. At this juncture, it would appear sound to expect a reaction to peter out not far from the 190-level in the D-J industrials, with 182 representing a minimum level not likely to be reached. Upward potentialities, on the other hand, extend far beyond the 1946 top of 213.36.

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J. P. WALWYN: Walwyn, Fisher & Co. (Toronto)

For some time past the action of the market has indicated greater confidence in the outlook for business on the part of investors, who have gradually become convinced that in many instances stocks have been selling at too low a price in relation to earnings and dividends.

While business forecasts for 1950 are favorable, and while we can be almost certain of a high volume of business in certain industries, it is nevertheless probable that over-production in some lines will gradually take place and a more selective approach to the purchase of common stocks is therefore indicated.

The oil industry in Western Canada would appear to offer a particularly attractive opportunity for profitable investment during the next year or two.

* * *

BARRON'S: The Trader (New York)

In Washington, as well as in Wall Street, the atmosphere is now different. From President Truman down, a friendlier attitude toward business prevails. First visible sign of a change came in the Council of Economic Advisers' report a few weeks ago. The Presidential message, stressing the need for high production and forecasting gains in average individual incomes, went a step further. Throughout Congress there is recognition of the need for sustaining high business activity and for encouraging equity financing. Best business "climate" since the New Deal came into power in 1933 seems in sight.

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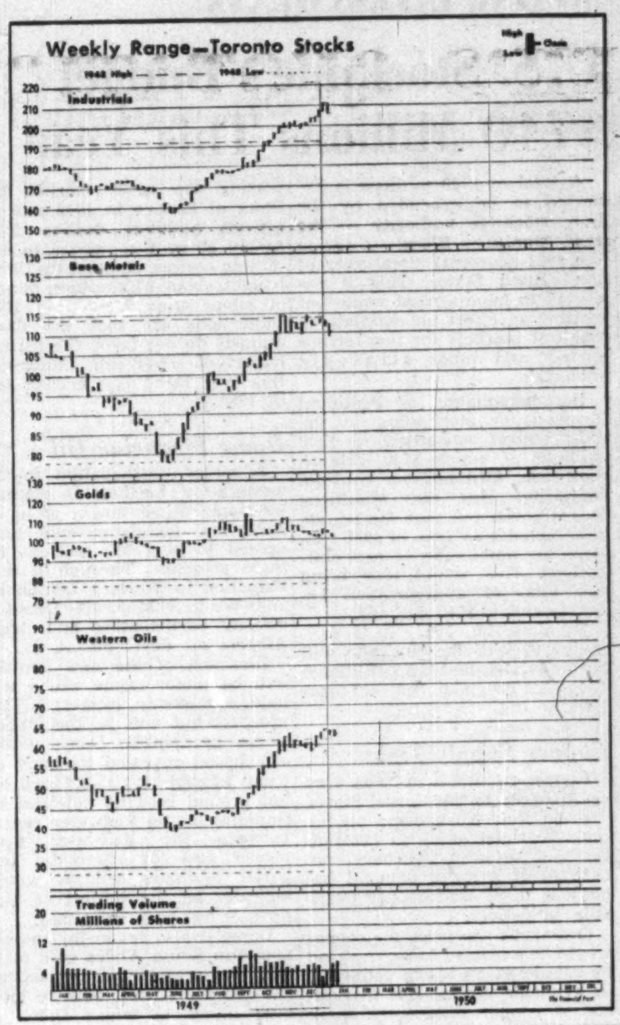


New Highs & Lows

During the week ended Jan. 14, 59 new highs were recorded among the general stocks on Canadian Stock Exchanges and four new lows. In the mining group there were 14 new highs and four new lows. In the western oil group there were four highs and one new low.

GENERAL

New Highs—1949-50

Algoma Steel
Asbestos
Argus
Bathurst Pwr. B
Brew. & Distill.
Brit. Am. Oil
Do. pref.
Bruck S.-Mills B
Burlington Steel
Can. Cr. Stone
Can. Packers B
Can. Perm.
Can. Starch
Can. Celanese
Can. Marconi
Can. Oil
Cardy Corp.
Chatco Steel
Conduits Nat.
Craig Bit.
Dist.-Seagram
Dom. Bridge
Dom. Steel & C. B
Dom. Stores
Electrolux
Fittings A
Ford Motor A
Grand & Toy
Guaranty Trust N.
Hahn Brass pfd.
Hamilton Bridge
Holt Renfrew pfd.
H. Smith Pap.
Huron & Erie Mtge
Do. 20% pref.
Hydro-Electric
Indust. Accept.
4½% pfd.
Do. 5% pfd.
Int. Paper N.
Do. 4% pref.
Int. Utilities
Kelvinator
Lowneys
Massey-Harris
Mersey Paper
Ont. Steel
Pressed Metals
Price Bros.
Slater Co.
Stand. Pav.
Do. pref.
Steel of Can. pref.
Stowell A pfd.
Super Pete. ord.
Toronto Mtge.
United Corp. B
Walker-Good.
West. Grocers
Do. pfd.

New Lows—1949-50

Can. Colliers
Dom. Malting
Jamaica Pub. Ser.
Modern Tool

MINING

New Highs—1949-50

Cartier Malartic
Castle-Trethewey
Jack Waite
Lamaque Gold
Macdonald
MacLeod
Mosher Long Lac
New Goldvue
Newlund
Norlartic
Pacific Nickel
Porc. Reef
Silver Standard
Steep Rock

New Lows—1949-50

Cons. Howey
Lapa Cadillac
Negus rts.
New Jason

OILS

Commoil
Federated Pet.
Lowery

New Highs—1949-50

Atlantic

New Lows—1949-50

Royal Canadian

Corporation Bonds

(Supplied by Investment Dealers' Association of Canada)

Jan. 17, 1950

Public Utility Issues:	Int. Rate %	Due	Bid	Ask.	Prev. Week Bid
▲Alg. Cen. H.B.R.	5	'59	90	93	90½
Bell Telephone	3	'77	97¼	100	97¼
B. C. Electric	3½	'67	96½	99	97½
Do.	3¾	'69	101¼	104	101¼
Calgary Power	3½	'72	98	101	98
East Kootenay	3¾	'67	91	94	91
*Gatineau Pr. D.	3¼	'70	101	103½	101
*Int. Hydro-El.	6	'44	66	68½	66
Int. Prov. Pipe Line	4	'70	163	168	169
L. St. Law. Pwr.	3¾	'65	97	100	97
Maclaren-Quebec Power	3	'69	96	99	96
Mtl. Trams. B	5	'55	96½	99	97
Nat. Lt. & Pwr.	4½	'61	100¼	103½	100¼
Nor. Que. Pwr.	4½	'67	99½	102	99
Power Corp.	3½	'67	97	100	97
Quebec Power	3	'62	98½	101	99
St. Maurice Pr.	3½	'70	99½	102	99½
Shaw. W. & Pr.	3	'61	99	101½	99
Shaw. W. & Pr.	3	'71	98	100	97
Do.	3½	'73	101½	104	102
Union Gas	4½	'50	100	103	100
Un. Fuel Invest.	4	'59	101½	104	101½
United Secs.	3	'52	99½	...	99½
Wpg. Electric	3¾	'71	102	104½	102
Industrial Issues:					
Abitibi Pr. P.	3½	'67	101	103½	101
Acadia-Atlantci Sugar	3¾	'65	101	...	101
Aluminum Co.	3½	'74	102	...	102
Bathurst P. & P.	3¾	'68	99½	102	99½
B. C. For. Prod.	4	'66	91½	94	90½
B. C. Pulp & Pa.	3½	'67	95½	98	95½
Bowater's Nfld. P. & P.	3½	'68	95	98	95
Brompton Pulp & Paper	3½	'66	94½	97½	94½
†Brown Co.	5	'59	96	99	95½
Burns & Co.	4	'63	98½	101	98½
Can. Steamship	3½	'57	95½	98	94½
Do.	4	'66	98½	101	99
Can. Bread	4½	'67	98½	101	99
Can. Brew.	3½	'67	94½	97	94½
Can. Celanese	3	'62	98	101	98
Can. Oil	3½	'62	99	102	100
Can. W. Lum.	4	'62	101	103½	101
C.P.R.	3½	'51	101	...	101
C.P.R.	4	Perp.	112	...	112
Cockshutt Plow Co.	4½	'65	101½	104	101½
Columbia Cell.	5	'68	102	104½	102
Consol. Paper	3½	'67	101	103½	101
Dom. Coal	4½	'52	100½	103	100½
Dom. Tar & Ch.	3½	'57	102	105	102
Dom. Textile	3½	'59	101½	104	101½
Dom. Woolens	5	'64	96½	100	96½
Dryden Paper	4	'61	100½	103½	100½
E. B. Eddy	3½	'66	99	101½	99
E. B. Eddy	4	'66	102	104½	102
English Elec.	4	'67	95½	98½	95½
Federal Grain	4	'64	99½	102	99½
Gt. Lakes Pap.	3½	'67	100½	103½	100½
Imp. Tobacco	2¾	'66	97	100	97
Indust. Accept.	3½	'66	97½	100	97
Lake St. J. P.	5	'61	101½	104	101½
Laurentian Silk	4½	'67	100	...	100¼
MacMillan (H.R.) Ex.	4	'65	101	103½	101
Maple L. M.	3¾	'63	97	100	97
Massey-Harris	3	'66	95½	98½	95½
Do.	4½	'63	102	104½	102
McColl-Front.	4	'71	95	98	95
Mercury Mills	4	'63	99½	...	99½
Monarch Knit.	4	'66	100	...	100
N.S. Steel Coal	3½	'63	99	102	99
Penman's	3½	'66	100	103	100
Price Bros.	3½	'66	101	103½	101
Silv. Dairies	4	'60-64	99	102	99
Do.	4	'71	88	91	88
Simpsons Ltd.	3½	'60	101½	104	101½
Stl. Co. of Can.	2¾	'67	96	98½	96
Tor. Elevators	3½	'66	98½	101½	98½
United Corp.	4	'58	100	103	100
United Steel	4	'60	99	102	99
Un. Grain Gr.	4	'63	100	...	100
†Western Grain	5	'63	84	87	84
York Knit. Mills	3½	'71	90	93	90

*Payable in Canada or United States.
▲Payable in Canada or U. K.
†Payable in Canada, U. S. or U.K.

Municipal Bonds

Jan. 17, 1950

	Coup. %	Matur.	Bid $	Ask $	Yld. %
Victoria	3¾	'55-66	98½	100¼	3.73
Vancouver	3¾	'69	99	101	3.63
Calgary	3½	'69	99	101	3.43
Edmonton	3½	'69	99	101	3.43
Regina	3	'64	90½	92½	3.85
Moose Jaw	3-3½	'80	94	97	3.50
Winnipeg	3	'69	97½	99½	3.04
Ottawa	3¼	'68	103	105	2.89
Toronto	3	'68	99	101	2.92
Hamilton	3	'67	98½	100½	2.96
Windsor	2½	'75	72	75	4.05
Windsor	2¾	'75	76	79	4.05
Windsor	3½	'75	88	91	4.05
Montreal	3	'75	93	96	3.27
Quebec	3½	'64	99	101	3.42
Halifax	3	'66	95	98	3.19
Saint John	3½	'65	98	101	3.42

COMPANY REPORTS

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

CANADA PERMANENT MORTGAGE CORP. net profit of $762,804 for 1949 was up 6.5% from the 1948 net of $716,362. This was after writing off office premises $115,000 in 1949, $15,000 in 1948.

Liabilities to the public increased to $76,359,158 ($70,354,767 in 1948). These were secured chiefly by liquid assets of $30,046,621 ($30,575,730) and mortgages and sales agreements of $55,939,273 ($49,510,144). For the first time in many years no real estate is held for sale.

Stock of Canada Permanent Trust Co. is carried at a cost of $2,457,500 which represents 19,575 shares of $100 par value. Investment in other stocks is up $46,000 to $3,229,928.

The reserve fund, at $5 million for many years, has increased to $5,500,000 by the transfer of $500,000 from the profit and loss balance.

An appropriation of $190,853 to staff pension and insurance fund completes the payments for past services against $100,000 in the previous year.

The annual meeting will be held on Jan. 27.

	1949	1948
Liab. to public.*	$76,359,158	$70,354,767
Shareholders' equity	12,653,536	12,641,584
*Secured by:		
Mtges. & sls. agree.	55,939,273	49,510,144
Realty for sale	......	6,177
Office premises	3,026,800	2,904,300
Liquid assets†	30,046,621	30,575,730
Total	89,012,694	82,996,351

†Includes bonds and stocks, of which $2,457,500 in 1949, $2,470,000 in 1948, at cost, of Can. Perm. Trust Co. stock.

Earned per Share	$10.90	$10.23
Paid	8.00	8.00

DE HAVILLAND AIRCRAFT OF CANADA net profit for year ended Sept. 30, 1949 amounted to $65,114 as compared with $3,215 the previous year. Gross volume of sales was highest of any postwar year. Production of both Beaver and Chipmunk aircraft was maintained and sales were developed for both aircraft: some 60 Beavers are now in service with 42 of these manufactured and delivered in this fiscal year. Outlook for Beaver is said still very good and sales are slowly developing in foreign countries.

More Chipmunk aircraft were produced and sold than in any other year and there is a backlog of orders which will keep the factory busy for several months at present production rate of two per week. Orders for Chipmunk aircraft were received from Egypt and Siam, and negotiations are currently under way for further orders from foreign countries. Chipmunks are now being operated in 10 countries.

After competitive trials and thorough testing, the Chipmunk has been chosen by the R.A.F for reserve training. Exchange difficulties, however, have forced manufacture of the plane in England by parent company.

The company is now fully equipped to assemble, overhaul and test, jet engines. A new jet engine overhaul shop has been established and commenced operations in September. A jet engine test house is now operating. Considerable work will accrue in the future from the overhaul of jet engines in air force and commercial work.

It is anticipated that sales of the parent company's de Havilland Comet will be developed in Canada and the U. S. With normal conditions of trade and general business, outlook for the 1949-50 fiscal year is good and it is estimated that approximately the same gross volume of sales will be maintained, vice-president and managing director P. C. Garratt states.

INCOME ACCOUNT

Years Ended Sept. 30:	1949	1948
Operating profit	$128,723	$5,938
Add: Subsid. divd.	......	15,000
Less: Depr.	56,609	17,723
Income tax	7,000	......
Net profit & surp.	65,114	3,215
Earnings per Share and Dividend Record:		
Class A†	$2.03	$0.10
Class A‡	2.03	......
Class B	10.03	‡d6.08
None paid.		

†Before (‡after) participation.

CONDENSED BALANCE SHEET

As at Sept. 30:	1949	1948
Cash	$104,657	$5,956
Accts. rec.	569,215	432,812
Custom. contracts	...	313,048
Inventories	1,537,559	1,279,493
Total curr. assets	2,211,431	2,031,309
Inv. & adv. re subs.	1,000	1,000
Misc. assets	23,143	20,601
Fixed assets*	445,967	448,939
Total assets	2,681,541	2,501,849
Bk. loan & overdraft	......	312,643
Accts. & tax pay.	938,698	515,727
Total curr. liabs.	938,698	828,370
Conting. res.	100,000	100,000
De Hav. (Eng.) loan	147,388	143,138
Capital stock	306,000	306,000
Surplus	1,189,455	1,124,341
*After depr. of	553,464	500,858
Working capital	1,272,733	1,202,939

SULLIVAN CONSOLIDATED reports bullion output for 1949 was highest in company's history at $1,581,646 exclusive of federal cost-aid. This compares with $1,106,800 recovered in 1948. Tonnage of ore handled increased to 182,010 tons against 145,907 tons. Labor being more abundant in 1949, development was more active and three times as many linear feet of ore were opened as in 1948.

Daoust Lalonde New Bond Issue Of $450,000 4½%

MONTREAL (Staff)—New issue of $450,000 4½% first mortgage sinking fund bonds, Series A, of Daoust Lalonde Inc. was offered last week at par by René T. Leclerc Inc. Issue is dated Jan. 2, 1950, matures Jan. 2, 1965.

Company operates a shoe business, established in 1891, with plant in Montreal, specializing in ski, hockey and skating boots. Production of sport and other shoes exceeds 200,000 pairs a year, prospectus states. Present company was formed this year with provincial letters patent, acquired the whole enterprise of the former Dominion incorporated company, Daoust, Lalonde & Cie.

Capitalization on completion of present financing will consist of $700,000 authorized, $450,000 outstanding 4½% first mortgage sinking fund bonds and $40,000 common stock, $1 par.

Proceeds will be used to pay in part the cost of acquiring the net assets of Daoust, Lalonde & Cie., prospectus states.

Average annual earnings before depreciation and income taxes for the 6 years ended Dec. 31, 1948, were $139,200, or nearly seven times initial annual interest requirements of $20,250, according to the prospectus. Earnings for the nine months ended Sept. 30, 1949, amounted to $34,832, before depreciation and taxes, but major part of profits are realized in the last quarter when deliveries of winter sport shoes are made, it is stated.

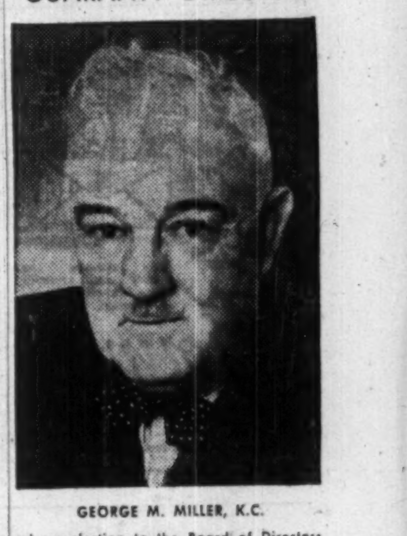
Pro forma balance sheet as at Oct. 1, 1949, shows $639,569 current assets, $236,120 current liabilities. Fixed assets are shown at $575,440 (depreciated replacement value), reserve for revaluation of fixed assets at $416,997.

President is J. A. Boivin.

Bank of Nova Scotia Installs Tickometer

To relieve its tellers of the monotonous job of counting notes, the Bank of Nova Scotia has installed in its main Toronto office a tickometer. The tickometer will count up to 800 bills a minute and the bank estimates it can do in half an hour what was formerly done by hand in four hours. This is believed the first tickometer installed by a Canadian bank.

GUARANTY DIRECTOR



GEORGE M. MILLER, K.C.

whose election to the Board of Directors of Guaranty Trust Company of Canada is announced by J. Wilson Berry, President of the Company. Mr. Miller heads the legal firm of Miller & Maki, Sudbury; is Chairman of the Board and Vice-President, Craig Bit Co. Ltd., North Bay; President, Sudbury Star Publishers, Ltd.; President, CKSO, Sudbury; also Director of other companies.

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MINING INVESTMENTS

U.S. Stockpile's Budget $740 Millions This Year

A total of $740 millions is expected to be expended by the U.S. stockpile authority — the U.S. Munitions Board — during the 1951 (current) fiscal year of the United States. This is expected to have a most important continuing effect on maintaining buoyant markets for non-ferrous metals and other strategic materials.

Recommendation of President Truman for stockpiling in the 1951 budget amounted to $500 millions of which $400 millions was cash, $100 millions contract authority. But the Munitions Board points out that the budget also includes an item of $240 millions for liquidation of past obligations. This would thus bring the total of appropriation requirements to $740 millions.

By June 30, 1951, it is estimated 65% of the stockpile will be delivered and an additional 13% will be under contract after 1951.

* * *

Copper Supply Tight

Copper continues to be in very tight supply in the United States.

From New York come predictions that deliveries to consumers will drop in February, not because of a lower demand but because there isn't copper available to deliver.

Ordinarily the price for copper would be expected to move ahead to cut down on sharp reduction in available stocks. But marketers of copper apparently think it is better to "ration" available supplies than to have any "run away" market in the red metal.

* * *

See Silver Stable

A belief that silver market "price stability of the past two years will continue" is expressed by Handy & Harman, assuming that U.S. domestic production will not soon become available to the market.

The view is expressed that policies of the Bank of Mexico during 1950 will determine the course of the silver market. The bank has indicated a willingness to continue its purchases of Mexican production for the immediate future at least, the survey points out.

Despite Mexican policy of supporting the silver market, the Bank of Mexico in 1949 saw its official holdings decline from nearly 58 million ounces to 41.6 million ounces. Apparently China bought about 32.5 million ounces of silver from Mexico in 1949. Indications are that the Communists do not favor the further import of silver into China and this may mean one market less in 1950.

* * *

Dome Financing Oil

A major participation in the western oil business is planned by Dome Mines and a group of American associates who have agreed to pool $10 millions for their program. Through a participation in Western Leaseholds and Western Minerals, Dome is already participating in a large Alberta oil development.

Direction of the new venture will be under Dome which will hold a minority interest in the prospect but will be the largest single participant. Dome naturally hasn't revealed its hand on what acreage it is bidding on, but ground recently released by Imperial in the Redwater region between the Redwater area proper and the successful Imperial Simmons wildcat would logically be the subject of bidding, it has been suggested.

Dome is also reviewing investments in South Africa gold mining. Vice-president J. G. McCrea has left for Africa, both to look over mines in which Dome is interested and to canvass the general picture.

* * *

Rainville Copper

An issue which came to life this week was Rainville Copper, adjoining to the east of Golden Manitou. Reports were that a financing deal involving $150,000 had been turned down by the management.

Apparently the situation is that a group some time ago expressed a willingness to finance the property but they didn't make their offer sufficiently attractive to result in any deal. There has been no further discussion recently.

Rainville several years ago secured some copper values which look rather interesting at the present price of copper. The management informs The Financial Post that most of latter work was done in the southern part of the property and that the favorable results secured in the southeast part appear to have no relationship to the Golden Manitou occurrence. The best section was the No. 4 zone which showed a length of 1,650 ft. averaging 1.65% copper and 0.007 oz. gold across a width of 18 ft.

* * *

N.W.T. Gold Output Up

A total of $7,054,370 worth of gold recovered in the North West Territories in 1949 was more than double the recovery of the previous year, L. E. Drummond, secretary-manager of the Alberta and Northwest Chamber of Mines & Resources, reports.

"If this increase can be maintained, and there is every indication it will be, then in another three years the Northwest Territories will be the fourth largest producer in Canada," he declares.

* * *

Surveys Uranium Finds

According to W. L. C. Greer, resident geologist at Port Arthur of the Ontario Department of Mines, the Ranwick and Labine-McCarthy discoveries in the Alona Bay area "appear to have excellent possibilities for commercial production."

They are stated to compare favorably with 1948 and 1949 finds in the Lake Athabasca and Black Lake regions of Northern Saskatchewan.

Mr. Greer expresses the opinion that the structure at both properties "should persist to considerable depths." This is encouraging in view of the lack of concrete results at depth on the Camray property five miles to the northeast. Commenting on reports of finds on other properties, Mr. Greer stated that work on these had been suspended for the winter, and they were not examined.

The Ranwick property is stated to have pitchblende showing up to two inches wide.

Lake Surprise Rig Now on the Ground

A diamond drill rig has now been moved on to the property of Lake Surprise Mine by Inspiration Mining & Development Co. and diamond drilling is expected to get under way shortly.

Core shack has been erected and J. C. Honsberger has left for the property to spot the first holes and supervise the campaign.

It is expected initial drilling will test the discovery showing which extends across the width of a small point (about 90 ft.) where it disappears into water.

The property lies about 30 miles from the recently completed 149-mile provincial highway from St. John to Chibougamau Lake.

OSC Options

Details of mining financing arrangements have been released by the Ontario Securities Commission as follows:

CONSULAR-HARKER MINES—Security issuer's registration granted Jan. 3, 1950, permitting Charles Lorne Boland, to sell. Authorized capital of the company is 3,000,000 shares of which 1,100,005 issued (900,000 in escrow). Accepted for filing Jan. 3, 1950.

INDIGO CONSOLIDATED GOLD MINES—By agreement of Nov. 25, 1949, Mining Financiers agreed to purchase 20,000 shares at 25c payable by Jan. 15, 1950, and received option on a further 1,200,000 shares at 25c. Authorized capital of the company is 5,000,000 shares with 1,364,274 issued (all in escrow). Accepted for filing Jan. 5, 1950.

NEW REDWOOD GOLD MINES — By agreement, Bagamac Mines agreed to purchase 300,000 shares at 5c payable within 10 days of Jan. 3, 1950, and received option on a further 481,000 at 6c to 10c a share. By supplementary letters patent dated Nov. 10, 1949, company name changed from Redwood Gold Mines and company reorganized on a one-for-two share exchange basis. Authorized capital of New Redwood is 3,000,000 shares of which 1,218,335 are issued. Accepted for filing Jan. 5, 1950.

RADIANT EXPLORATIONS—By agreement of Oct. 19, 1949, Beau Investors received option on 30,000 shares at 75c a share. Agreement provides that if and when Beau Investors offers said shares for resale to public through medium of present registered broker-dealers, price must not exceed 85c per share. Authorized capital of the company is 300,000 shares of which 100,005 shares issued (100,000 in escrow). Accepted for filing, Jan. 9, 1949.

GEORGE V. JACQUEMAIN

has been elected president of DeVilbiss Mfg. Co., Windsor, Ont.

Anacon Work'g Output Higher

December Rate a Record With $25,000 Estimated Profit

An operating profit of approximately $25,000 was realized by Anacon Lead Mines in December treating 13,872 tons of ore, an average of 447 tons a calendar day or 485 tons per operating day, officials report.

Milling rate has now been advanced to a level of 525 tons daily. Through addition of a new classifier, installation of a new crusher, new conveyor from shaft to mill and unit cells in the lead circuit, tonnage treated will be further advanced to 600 tons daily within two weeks, it is stated.

$85,000 Output

It is estimated that production had a net value, after freight and smelter charges, of approximately $85,000 against normal operating costs estimated at $60,000. Costs included extensive development and surface construction.

The December output was the highest recorded since operations started about a year ago. Output of zinc concentrates reached 1,472 tons averaging 50.69% zinc and lead concentrates totaled 203 tons, averaging 57.4% lead, 81.8 oz. silver and 0.40 oz. gold.

The increased milling rate and flow of about 300 tons per day of higher grade ore from the sixth or bottom level, is expected to raise production value and profits, it is stated. The sixth level, which indicated a higher than mine average grade in diamond drilling, has more than justified the forecast in actual mining for production, the management reports.

Recent development on this horizon in the footwall zone, 1,700 ft. north of the shaft, has shown zinc grade running from 10% to 15%. This is a section where five holes inclined downwards from the level returned an average grade of 10.2% zinc, 1.9% lead, 4.07 oz. silver and 0.23 oz. gold across a width of 8.3 ft. Footwall ore has also been encountered some distance farther along where a drill intersection showed 6.4% zinc, 3.83% lead, 3.6 oz. silver and 0.014 oz. gold.

Consideration is being given to further exploration of zones disclosed in surface diamond drilling some 2,200 ft. north of the shaft. Here a pattern of holes indicated an ore zone paralleling the main break to the east about 400 ft. This could be readily reached by a cross-cut from the sixth level north drift, now nearing the area. Seven of the surface drill holes returned values of lead, silver, and zinc, widths averaging about 8.5 ft.

Work is also being done for recovery of mica.

COMPANY REPORTS

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

UNITED OILS experienced a loss of $450 the year ended Sept. 30, 1949, due to passing of the usual dividend by Federal Petroleums, but due to acquisition of controlling interests in Foothills and Lowery Petroleums by Federated, United's 240,395-share holding in this company is worth over three times book value of $158,492.

Included in shareholdings with total book value of $247,473 besides its Federated were 1,000 Central Patricia, 300 Calgary & Edmonton, 10,000 Continental Oil of Canada, 10 Consolidated Smelters, 25 Dominion Bridge, 562 Home Oil, 1,620 Imperial Oil, 1,000 McLeod-Cockshutt, 100 Noranda, 300 Royalite, 155 Standard Oil Co., 25 Steel of Canada, 3,000 Steep Rock and 100 Ventures.

Drilling of a lease held in the Excelsior area is expected if drilling of an adjoining lease provides favorable results.

INCOME ACCOUNT

Years Ended Sept. 30:	1949	1948
Royalties rec'd	$2,335	$1,381
Divds. rec'd	7,337	9,052
Int. rev.	572	637
Total net rev.	10,244	11,070
Less: Oper. exps.	9,916	8,230
Depreciation	......	3
Depletion	778	345
Net profit for year ..	*450	2,492

*Loss or deficit.

CONDENSED BALANCE SHEET

As at Sept. 30:	1949	1948
Cash & Dom. bds. ...	$22,988	$22,416
Accts., etc., rec.	550	4,050
Total current assets	23,538	26,466
Investments	247,473	245,143
Royalty assets	4,765	4,265
Develop. acct.†	150,495	151,274
Land & leases	24,411	21,746
Plant & equip.‡	33	33
Total assets	450,715	448,927
Total curr. liab.	50	50
Reserve a/c	47,022	47,046
Capital stock	442,562	442,562
Deficit	38,919	40,731
‡After depr. of	64,265	64,265
†After depl. of	48,230	47,452
Working capital	23,488	26,416

Hold Prospectors' Convention In Toronto, March 5-8

Half century of mining in Canada is to be reviewed by government, mine-developing and mine servicing authorities at the annual convention of the Prospectors and Developers Association in Toronto March 5 to 8 inclusive, Mrs. Viola MacMillan, president, announces.

A feature of the meetings is expected to be attendance of a large number of the individuals who are "storied in the annals of the industry."

"It is far from generally realized," declared Mrs. MacMillan, "that many of the oldtimers who staked our great mines and through their determined search for minerals pushed back our frontiers, are still hale and hearty today. This can't be said of the mining industry of any other major nation in the world."

Final plans are being laid by the association executive to scour the industry for valued but forgotten photographs and maps of a half century ago for display purposes at the convention.

Auxier The New Head Western Oil Assoc.

From Our Own Correspondent

EDMONTON — Prominent Edmonton barrister, G. W. Auxier, 42, has been appointed executive vice-president and general manager of the Western Canada Petroleum Association. Auxier will commence his duties Feb. 1.

Graham said Auxier will devote his full time to the management and affairs of the association, and will act for the industry as a whole on all questions of a public and government nature.

The W.P.C.A. has a membership of 253. It comprises representatives of all organizations active in the exploration, development and production of petroleum and natural gas resources in Western Canada.

MINING CONCENTRATES

ARJON GOLD MINES Jan. 5 installment of 50,000 shares at 20c a share and Jan. 15 installment of 200,000 shares at 25c a share under agreement with Davidson Securities have been extended to become exercisable as follows: 50,000 shares at 20c by March 15; 100,000 at 25c by April 15; 100,000 at 25c by May 15.

* * *

ASCOT METALS CORP. hopes to be in ore on the fifth level about Jan. 20, according to H. G. Way, mine superintendent. Drifting will then be carried out on the fourth and fifth levels on a 24-hour schedule. Both north and south faces are reported in ore at the fourth level at present. Company officials are reported negotiating with underwriters to complete financing to production.

* * *

DARMAC GOLD MINES reports a first drill hole in a deep drilling program on its 24-claim property in Lebel township cut strong mineralization in a wide shear zone with two intersections of well-mineralized porphyry. Hole is nearing completion at 1,000 ft. When this hole is finished, drill will be moved northeast to follow the shearing, it is stated.

* * *

DULAMA GOLD MINES reports an additional 249,995 shares have been underwritten by D. W. Gordon (in trust) at 15c a share, payable by March 10.

* * *

ELDONA GOLD MINES reports option outstanding to Stuyvesant-North Ltd., under agreement dated Nov. 4, comprising 300,000 shares at 45c to 75c a share has been amended as follows: 50,000 shares have been underwritten at 30c a share, payable forthwith, and 250,000 shares optioned exercisable as follows: 100,000 shares at 35c a share within 60 days; 100,000 at 40c within 150 days; 50,000 at 75c a share within 240 days. Upon issue of underwritten shares, issued capital will be 4,750,000 shares, leaving 250,000 in treasury.

* * *

EL PEN RAY MINES balance of Dec. 20 installment of 100,000 shares at 15c a share under agreement with Stuyvesant-North has not been exercised and agreement has been terminated.

* * *

NEW JASON MINES has received payment for balance of Jan. 8 underwriting of 44,100 shares at 45c a share, completing payment of entire block of 400,000 shares underwritten at this price under agreement with H. R. Bain. Issued capital is 3,399,669 shares, leaving 100,331 in treasury.

* * *

YALE LEAD & ZINC MINES has received payment for Dec. 31 underwriting of 50,000 shares at 50c a share as well as Jan. 11 installment, comprising a similar number of shares at same price under agreement with Draper, Dobie & Co. and J. Bradley Streit & Co. Issued capital is 2,800,005 shares, leaving 699,995 in treasury.

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Prospectors Airways Now Taking Over All of Anglo-Huronian Mine Making

By GORDON GRANT

A lot more is likely to be heard of Prospectors Airways in the mine-making field in the next few years. The company which had been practically inactive up to a few months ago has taken over the entire exploration and mine-making activities of its parent Anglo-Huronian.

It is expected that Anglo-Huronian will continue to take participations in new projects. But Prospectors Airways will be the main vehicle for further major mine-making endeavors.

Some time ago the Anglo-Huronian interests considered putting $2 millions in cash in the Prospectors Airways treasury. However, it was later decided to proceed with funds at present in the Prospectors Airways treasury which amounted to approximately $367,000 at the beginning of 1949.

Newlund Nears Ore

So far, of course, Prospectors Airways have taken on only one major new prospect — Newlund Mines. A total of $200,000 has been made available for exploration of this company's property in Echo twp., Red Lake area. Following completion of a shaft to a depth of 226 ft., crosscutting is being undertaken at the 200-ft. level with the heading now out about 30 ft. from the shaft. There is an over-all distance of about 150 ft. to go to reach the indicated position of the ore zone and it is believed the zone itself will be about 150 ft. wide at the point of intersection.

Development plans call for the running of drifts along the hangingwall of the ore zone with stub crosscuts and horizontal drill holes put out at regular intervals for delineation of the zone. The company has contracted for 2,000 ft. of drifting and 4,000 ft. of diamond drilling which it is felt should be sufficient to give a pretty fair picture of the possibilities.

It is expected that the shaft crosscut will reach the zone about the middle of February. What the management wants to find out is if the transverse veins across the zone will make ore. Two possibilities are apparently present. A very large tonnage medium to low grade ore zone may be established on the one hand. Failing this, there are possibilities that the zone may lend itself to selective mining of higher grade sections.

To protect the possible westward extension of the Newlund ore structures, an option has been taken on the adjoining Windward property which covers the strike.

Prospectors Airways has been looking at "a long string" of properties offered for financing recently but no further commitments have yet been made. Under existing conditions, the management naturally feels that a prospect should show a pretty good character before financing is entertained.

Lots of Backing

With all the Anglo-Huronian finances—and Noranda behind Anglo-Huronian again—it is obvious that any really promising properties brought along by the Airways management should be financed without difficulty. About 70% of Airways outstanding shares are now held by Anglo-Huronian.

No decision has yet been made by the Prospectors Airways management as to whether or not "grass roots prospecting" will be done in the current season but consideration has been given to this recently.

Of more than average interest to people interested in gold mining will be the decision on the part of the Anglo-Huronian group that this is a proper time to think of extending gold mining interests.

Mary Ann Arranges 5,000 ft. Drilling

A contract for 5,000 ft. of diamond drilling has been let by Mary Ann Mines for the company's property lying east of Upper Canada Mines in the east Kirkland Lake area.

Previous work is stated to have disclosed that the Upper Canada break extends through the company's property with similar geology. Relatively deep drilling will be required, it is expected, and holes will be spotted by company engineers to go to depths of 1,200 to 2,000 ft. Work is being started this week.

Values in gold, silver and copper were demonstrated in a recent examination of the most westerly Mary Ann group, it is stated.

Golden Manitou New Deep Hole Showing Copper

It looks as if the higher grade "streak" in the middle of the big new wide copper-bearing zone at Golden Manitou Mines extends to depth. If assays bear out visual evidence, the management may soon be able to talk about a new ore body.

The drill hole angled down from the 1,410-ft. level encountered the low grade mineralized copper mass at footage of 478 ft. Between 775 and 800 ft. depth in the hole, a section of 14 ft. looks as if it would assay 4% to 5% copper, the management informs The Financial Post. Drilling was continuing in the low grade copper-bearing material with the hole being extended to 1,000 or 1,100 ft., if possible, to reach the contact.

The hole is under two holes previously drilled at higher elevations which showed a 12-13 ft. section running 1.65% copper at 1,260 ft. and 5.66% at the 1,410-ft. elevation.

A new hole is now being drilled downwards at 55 deg. at a location 250 ft. to the west of the latest hole at the 1,410-ft. level with the zone expected to be reached next week.

Norman Oil Expected To Have Wider Use

From Our Own Correspondent

EDMONTON — Oil output in the Norman Wells area last year was nearly 200,000 barrels, K. M. Mackenzie, superintendent of the Imperial Oil refinery there, stated.

He said production is marketed in the north, going to mining concerns and for navigation purposes. This business is expected to increase as more firms convert to oil-burning equipment.

Imperial Oil has more than 60 producing wells in the area, but output from six is sufficient to meet present market requirements. It is hoped mining development will create a greater demand for northern oil.

The northern plant has been closed, as usual, for the winter. It will begin operations again March 1 and a crew of about 75 will be employed.

Coniaurum to Test Ranwick at Depth?

Detailed plans are expected to be announced shortly on an underground test of Ranwick Uranium Mines property by Coniaurum Mines.

Testing is expected to be by an adit or tunnel which would have a length of about 900 ft. and would provide about 150 ft. of backs on the northwest part of the showing.

COMPANY REPORTS

SCYTHES & CO. net profit for year ended Nov. 30, 1949 was off 27.7%. Sales again showed a small increase over the previous year. Many of the company lines have been more competitive throughout the year, resulting in decreased earnings with somewhat higher operating costs.

There were no substantial plant expenditures made during the year. Working capital has been increased by $156,907.

INCOME ACCOUNT

Years Ended Nov. 30:	1949	1948
Net earnings	$280,176	$366,040
Less: Deprec.	17,635	16,640
Tax prov.	105,000	133,200
Add: Asset & sec. sale prof.	3,594	6,757
Net profit	181,135	222,957
Less: Pref. divd.	18,225	19,225
Com. divd.	30,000	89,300
Surplus for year	92,910	114,232
Earnings per Share and Dividend Record:		
Preferred	$11.21	$14.69
Paid	1.25	1.25
Common	2.86	4.07
Paid	1.00	0.82+0.37*

*Includes extra of 18c paid Jan. 5, 1949, and extra of 19c paid Jan. 8, 1948, out of prev. year's operations.

CONDENSED BALANCE SHEET

As at Nov. 30:	1949	1948
Cash & Dom. bds.	$170,322	$109,873
Accts. rec.	473,121	467,283
Life ins. c.s.v.	102,909	97,272
Investments	49,250	49,250
Inventories	592,699	533,619
Total curr. assets	1,388,301	1,257,297
Invest. assoc. co.	150,000	150,000
Misc. assets▴	40,706	79,721
Fixed assets*	258,973	262,951
Total assets	1,837,980	1,749,969
Accts. & tax. pay.	413,075	429,725
Divds. pay.	16,994	26,247
Total curr. liab.	430,069	455,972
Pf. stk. s.f.	8,849	9,476
Capital stock	462,000	482,000
Capital surplus	40,500	20,500
Earned surplus	890,362	782,021
▴Incl. ref. EPT	31,517	72,544
*After deprec. of	437,108	431,696
Working capital	958,232	801,325

Drilling Shortly At United Mic Mac

A program of diamond drilling is scheduled to get under way about Jan. 20 on the property of United Mic Mac Mines straddling the Cadillac Malartic shear zone in Bousquet Twp., Que. Exploration will not be directed to the original section which has a production record of approximately $4 millions but to a section to the southwest where higher grade possibilities were indicated by a number of drill holes completed by Continental Exploration.

Best intersections secured in this section where in holes J-8-A and J-7.

Most easterly hole in this drilled section was hole J-6-A which returned structure but no assay over 0.05 oz. gold. Hole J-7, 200 ft. to the west, returned 0.81 oz. gold over 2 ft., starting at 274.5 ft. and 1.56 oz. gold over 3.7 ft., starting at 278.8 ft. The hole was drilled at 55 degrees dip.

Hole J-8-A, another 200 ft. to the west and parallel to J-7, gave 8.82 oz. over 2 ft., starting at 460.5 ft. and 15.15 oz. on a check of the same section. Farther in the hole, 0.65 oz. over 2 ft. was secured at 514 ft. and the adjoining foot ran 0.39 oz.

A program of closer drilling laid out by Ash W. Johnston, consulting engineer, is designed to give a clearer idea as to the corelation and dip of zones and continuity of values between holes.

A total of $10,000 has been received from sale of shares to finance the present program and a further $15,000 is expected.

Do More Staking In Sudbury Area

More than twice the number of claims recorded the previous year were recorded at the Sudbury recording office during 1949.

Claims staked and recorded in 1949 totaled 3,121 against 1,442 the previous year. However, stakings were still far below the 1946 level of 6,108 claims.

Work recorded on claims for 1949 totaled 45,221 days on 770 claims. It comprised 13,185 days of manual labor, 20,477 days of diamond drilling, 880 days of geological survey, 6,064 days of geophysical survey, 1,055 days of work by power-driven equipment and 3,560 days of land survey.

U. S. Copper Stocks Take Further Drop

A further sharp drop in stocks of refined copper occurred in the United States in December, according to the U. S. Copper Institute.

Stocks at the end of 1949 were little more than half those reported at the end of the previous August.

Stocks "at refineries, on consignment and in exchange warehouses" totaled only 116,027 tons at the end of December vs. 217,167 tons for August. Declines by months have been: September, 23,277 tons; October, 29,426 tons; November, 25,265 tons; December, 23,172 tons.

Outside the United States stocks only dropped 189 tons in December, with 147,972 tons on hand at year end.

Steep Rock 'C' Goes to Inland

A big new iron mine in the Steep Rock area capable of producing three million tons of ore a year is visualized with the announcement that Steep Rock Iron Mines has farmed out its "C" ore zone area to Inland Steel Co. of Chicago.

The acreage optioned on lease to Inland will be operated by the steel company if exploration proves up a large tonnage of merchantable iron ore.

Preliminary exploration by Steep Rock years ago indicated a large but deep-seated ore body in the "C" area which was believed to possess greater tonnage than either the Errington or Hogarth mine areas.

Actual mining of ore in the "C" ore area would be undertaken by underground operations from a shaft, it is believed.

Cochenour 1949 Output Higher Than For Any Year Since 1944

During 1949 output at Cochenour-Willans Gold Mines exceeded a million dollars for the first time since the fiscal year ended May 31, 1944, President W. M. Cochenour states.

Output for the period amounted to $1,070,549 as compared with $1,031,590 in the 1944 fiscal year. In addition to bullion output, the company has also estimated cost-aid of $68,000 for 1949. As the $38.50 price for gold prevailed throughout the entire earlier period, the actual ounce comparison would be still more favorable.

The 1949 production was from 83,584 tons, giving an average recovery of $12.81 and a daily milling rate of 229 tons. In the last full fiscal year, the 12 months ended May 31, 1948, production amounted to $746,002 from 64,448 tons, an average of $11.58. In the seven months to Dec. 31, 1948, it totaled $758,803.

Output for the final quarter of 1949 amounted to $246,755 from 20,879 tons of ore compared with $242,942 from 21,095 tons in the third quarter.

In his letter to shareholders, the president states that production at the mine has been creditable, but that monthly figures have shown irregularity. To achieve more regular output, John A. Reid, consulting engineer, has advised carrying out a survey of geological conditions and additional development work. The directors have appointed Charles Sheehan mine manager to put these recommendations into effect. He succeeds W. P. Mackle who retired at the end of the year and has been made a director of the company.

Lead-Zinc Refinery Seen Possible For Edmonton

From Our Own Correspondent

EDMONTON—Possibility of a lead and zinc refinery for Edmonton was foreseen by L. E. Drummond, secretary-manager of the Alberta and Northwest Chamber of Mines and Resources, in his report to the 14th annual meeting of the chamber here. Unofficial estimate of the cost is between $15 million and $20 million.

Drummond said the proving up of about 750,000 tons of lead-zinc ore at Pine Point, on the south shore of Great Slave Lake, may have a vast effect on Edmonton's future.

"If this can be further extended, it means the construction of a railroad, the development of hydro power and probably the building of a plant near Edmonton for the refining of lead and zinc," he said. Including the railway, hydro plant and refinery, total expenditures involved would be about $75 million.

Drummond pointed out that the development of this project is further assisted by the investigation of American Metals who are drilling to the west of the concessions granted to Consolidated Mining & Smelting Co. of Canada. Also tributary are the lead-zinc deposits at O'Connor Lake, just east of Slave River and the Indian Mountain Lake to the north of Great Slave Lake.

"However, all these developments are dependent upon the success of Pine Point investigations and the justification of railway extensions," he declared.

Value of gold mined last year in the North West Territories was more than double 1948, Drummond said. In 1948 North West Territory mines produced 101,625 fine ounces, valued at $355,875.

Glenton Hotel Deal Lapses in Edmonton

From Our Own Correspondent

EDMONTON — Under consideration for some 18 months, the $8-millions Glenton hotel deal is now definitely off.

Behind the deal was John C. Boright, Montreal financier, who allowed his $1 option to expire Jan. 16, the time limit allowed by city council to deposit $150,000 as purchase price of half a block of choice city land.

Mr. Boright met council personally but offered no reason for allowing his option to lapse. With him was L. E. Ditwiler of New York, who is understood to have a construction proposal to offer the city entirely apart from the Glenton deal.

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NEW GOLDVUE MINES reports work is being started at once on deepening its three-compartment shaft to open further levels at 500, 650 and 800 ft. While shaft work is going on, drifting will be done on "F" and "G" veins both north and south from the 307 crosscut and additional exploration will be carried out on the 350-ft. level. Recent bulk sampling of these two veins returned values ranging from $2.45 to $22.40 in the crosscut on the 350-ft. level.

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LONDON CALLING—*By Adelphi*

It's 6-4 Against Churchill's Men Today But Seen Favorites By Eve-of-Polling

LONDON—Mr. Churchill flew home from Madeira to an England covered with fog, but as his plane neared the airdrome the clouds parted and the old warrior landed in sunlight. With characteristic lack of pomposity he remarked: "I heard there was an election on and I thought I'd come home in case I was needed."

While the Tories look upon the lifting of the fog as a good omen, it did not prevent gambling odds opening at 6-4 against the Conservatives.

However, it is well known that before a race bookmakers often quote a price to put people off. In other words, the bookies want to hear what is going on in the paddock or, sometimes I fear, in the jockeys' weighing room.

My own guess is that when the election really gets going the odds will come down to evens, and that on the eve of the poll the Conservatives will be favorites.

* * *

Beaverbrook Cheers For Churchill Again

Lord Beaverbrook's Daily Express welcomed Churchill home with a warm tribute in these words: "Churchill is back! At once the sense of drama, the impress of genius is restored to the political theatre of Britain. The scene of public life is enriched in an instant by one who retains a complete belief that this country is great, that her destiny is high, and that her future will be glorious. And Churchill has the practical vision and the political courage to match these firm convictions."

These are cheering words for the Tory leader in view of the strained relations between Beaverbrook and himself just before the newspaper baron left for Canada.

The Conservatives would like to think that this friendly editorial means that Beaverbrook intends to back them, but the wise ones are not so sure. The Express Group will certainly damn the Socialists but I cannot see them going all out for the Tories unless Churchill promises to ban all the men of Munich from his Government.

* * *

Eden Shows Up In Fighting Trim

I had a long talk off-the-record with Anthony Eden this week and I have never seen him look so fit or unworried. He has no doubts about the fight being a hard one, nor has he any rosy illusions about the difficulties which would confront any government that succeeds the present one.

It is unlikely that, in case of a Tory victory, Eden would go back to the Foreign Office. Undoubtedly that is where his heart is, and he has not lost his belief that he could do a deal with Stalin that would prevent war, but it is almost certain that Churchill will appoint him Lord President of the Council and Leader of the House—dual offices now held by Herbert Morrison.

* * *

Absurd Situation On Election Expense

The long warning that Mr. Attlee has given the country has produced an amount of confusion that is not without its absurd side. Tory parliamentarians had been booked to speak all over the country during January but these meetings are nearly all being cancelled for fear they will contravene the electoral act.

For example if Mr. Smith, M.P. travels from London to Edinburgh to speak for Tory candidate Jones, will the traveling expenses of Mr. Smith, plus the cost of the hall, plus the advertising bill count as part of the candidate's election expenses although Nomination Day is not until February 3rd?

Then there were associations such as the Aims of Industry Group which have been plastering bills all over the place denouncing nationalization. If they plastered Edinburgh would the unfortunate candidate Jones have this expense added to his meagre total?

On the other hand, since the Socialist Daily Herald is owned by the Trade Unions and is boosting the Socialist cause in every issue should not the cost of production be snared out to all the Socialist candidates?

The whole thing is preposterous but Herbert Morrison has uttered so many dark warnings that no one really understands what the law means. And I include Attorney General Sir Hartley Shawcross among those who cannot make it out.

The net result is that Tory M.P.'s will not have to attend Parliament until March, and that they will really do no speaking until February 3rd. I suppose someone is bound to liken it to the Ball at Brussels on the Eve of Waterloo, but the ball did not last three weeks.

* * *

Labor Says Commies Seek Tory Victory

One of the amusing developments so far is the claim of the Socialists that 100 Communist candidates are being run so as to bring about a Tory victory. In case this seems odd the Socialists go on to explain that Communism needs a Tory society in order to grow, and that the running of 100 candidates has probably been ordered by Moscow.

What is worrying the Tories is that 400 Liberals are going to split the anti-Socialist vote. In fact the intervention of the Liberals on such a scale may prove the deciding factor in gaining victory for the Socialists.

A variation of this theme occurred in Beverley Baxter's new Division of Southgate which he is contesting. The Socialist candidate suddenly withdrew, whereupon the Liberal issued a moving appeal to the Socialists not to put up another candidate but to leave him to deal with Baxter and the reactionary forces that he represents.

However, the Socialists refused this coy advance and are entering a candidate who is both a lady and an alderman.

* * *

"One Good Heave" And Trade Gap Closed

Sir Stafford Cripps, who drew a great crowd of devout worshippers to St. Paul's Cathedral when he preached there last Sunday night has issued some encouraging trade figures. Exports for 1949 were £1,784,600,000 or 13% above the 1948 level. That is pretty good for a country which is supposed to be tired out, inefficient and knowing nothing about salesmanship.

Taking re-exports into account the excess of imports over exports for the year was approximately £429,000,000. In fact one good heave and the gap is closed. Of course keeping it closed is another matter.

But there is trouble brewing on the T.U.C. front. The union leaders promised Cripps there would be no more demands for increased pay for a year, but when the card vote was taken yesterday the result was:

For the wage freeze 4,263,000
Against wage freeze 3,606,000

It is true that the policy was carried by so slim a majority that it will have to be dropped at the first convenient opportunity. A Tory victory might give the union leaders a way out of their dilemma.

* * *

Not one snowflake yet seen in London this winter. The weather varies from fine to muggy but there has not been a really cold day.

* * *

There is good news for the Queen City. A firm of shoe manufacturers here has just put out what they describe as the smartest shoe ever designed for smart women. And what do you think they are calling it?

Believe it or not—"Toronto."

CANADA DRY GINGER ALE, LTD. Repeal of the Canadian beverage tax early in the fiscal year ended Sept. 30, 1949, coupled with an unusually hot and prolonged summer season, aided the company to establish a sales record. Sales are continuing at the same rate. Net income amounted to 26% of consolidated net income of parent company which was $2,183,887. Current assets of the Canadian company amount to approximately 7% of total for parent company which is carried at $15,513,172. Current liabilities amount to 13% of total for parent company which was carried at $5,395,864. The sixth Canadian plant was opened at Truro, N.S. after close of fiscal year. This will serve the Maritime provinces previously supplied from the Montreal plant.

Ask IAC Holders Okay New Issue Of 60,000 Shares

MONTREAL (Staff) — Shareholders of Industrial Acceptance Corp. will be asked to approve creation and sale of 60,000 shares of 5% cumulative convertible preference stock, $32 par, at a special meeting to be held Jan. 20.

In a letter to shareholders last week, President J. P. A. Smith stated that directors felt that an increase in equity capital is desirable to meet anticipated increasing demands on company's services. New issue will rank junior to existing 5% and 4¼% $100 par preferred stock, but will rank equally with the 5% $25 par preferred.

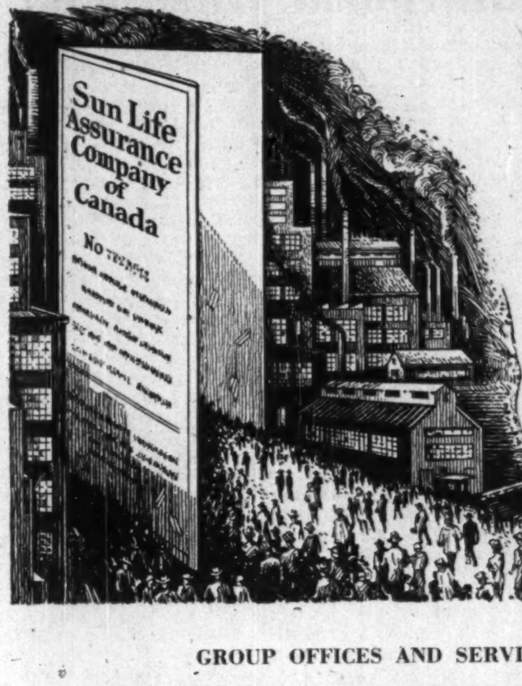
Earnings in 1949 were substantially higher than those of any previous full year in the company's history, Mr. Smith stated. "Outlook for the current year is in my judgment satisfactory," he added.

Receivables outstanding at the end of December totaled more than $90 millions, 33% higher than any previous year-end total, the president said. During the current year, it's expected that the percentage of time purchases to total sales will be more in line with pre-1941 levels. Up till now, percentage has remained considerably below prewar experience.

New shares would be convertible into common stock on share-for-share basis at any time up to Aug. 15, 1954. Of the 80,000 $25 par convertible preferred sold last August, 61,725 shares were outstanding at Dec. 31. The remainder have been converted into common stock. Common stock has been trading recently around $30 per share.

ROCHETTE GOLD MINES states that by resolution of directors dated Jan. 7, 200,000 shares have been sold to A. Desjardins & Co. at 10c a share, payment for which has been received and an option granted on an additional 150,000 shares at 12c a share, exercisable by March 7. Issued capital is 2,850,000 shares, leaving 150,000 in treasury.

Almost 22 Million Men and Women


Sun Life Assurance Company of Canada

Throughout North America today, employers and employees of nearly 50,000 industrial, commercial, business, and social organizations, are co-operating in the modern manner by protecting themselves and their families through Group Life Insurance and Pension plans. Thus, almost 22 million men and women enjoy this low cost form of insurance in which the economies of wholesale buying are made available to persons in every walk of life.

The Sun Life Assurance Company of Canada is among the pioneers of Group insurance, and has always maintained a leading position on this continent for volume of business, attractiveness of plans, and efficiency of service. Today, hundreds of thousands of employees and their families throughout Canada and the United States are protected by the Group life and pension plans of the Sun Life of Canada.

GROUP OFFICES AND SERVICE FROM COAST TO COAST

SUN LIFE OF CANADA

First Policy Issued 1871
Head Office: Montreal

Fire Premiums Total $103 Millions in 1949

Fire insurance premiums paid to federal licensed companies in 1949 are estimated at $103 millions, by R. W. Warwick, superintendant of insurance for Canada. This is an increase of 5% over 1948. The loss ratio is estimated at 44% (46% in 1948). The increase in premiums written would have been larger but for the fact that 1949 was an "off year" for three-year business on mercantile risks, Mr. Warwick explains. Three-year fire policies were written for the first time in 1941 and while new construction and other factors have flattened out the total yearly premium writings to a large extent, the effect of the three-year renewals on old business is still felt.

$11 Million New Financing For Manitoba

The Province of Manitoba this week sold an $11 million debenture issue to a syndicate headed by Bell, Gouinlock & Co. The price was $98.63 and the issue was made up of $8,700,000 17-year 3% bonds to mature 1967 and $2,300,000, 2¾% 10-year serial bonds, repayable in 10 equal annual instalments.

Total borrowing for 1949-50 now reaches $22 million but 80% has been for government commercial undertakings which are self-sustaining. The current issue was to provide $3,330,000 for the Manitoba Power Commission, $3 million for the Manitoba Telephone Commission, $2,370,000 for the power development at Pine Falls and $2,300,000 for roads and buildings.

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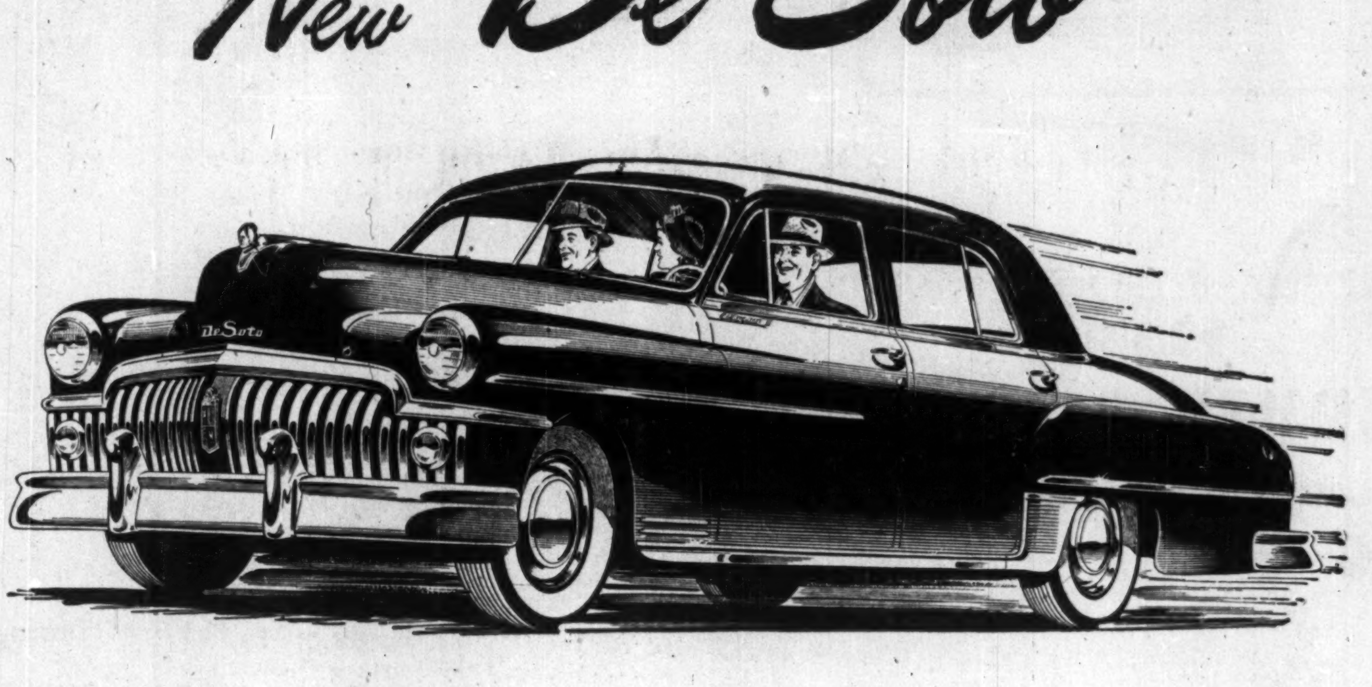

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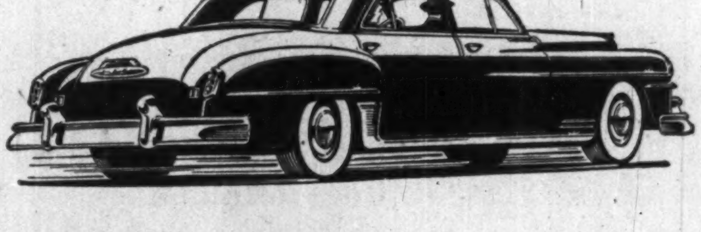

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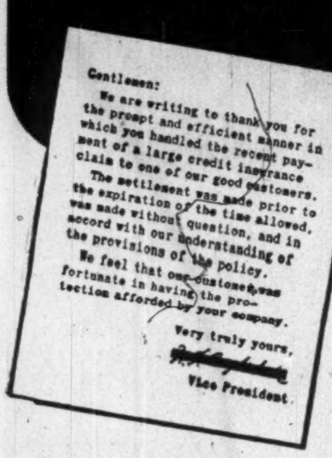
American Credit pays you when "good" credit risks become *bad* debt losses. Read what this Chicago bank says:



Gentlemen:

We are writing to thank you for the prompt and efficient manner in which you handled the recent payment of a large credit insurance claim to one of our good customers.

The settlement was made prior to the expiration of the time allowed, was made without question, and in accord with our understanding of the provisions of the policy.

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Very truly yours,

Vice President

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